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Food Program for 1944

WAR FOOD ADMINISTRATION

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LETTERS OF REQUEST AND TRANSMITTAL

OFFICE OF WAR MOBILIZATION

Washington, D. C.

JAMES F. BYRNES
*Director**July 12, 1943.*

MY DEAR MR. JONES: The Executive Order of May 27th, which established the Office of War Mobilization, provides that one of its functions will be to develop unified programs and to establish policies for the maximum use of the Nation's natural and industrial resources for military and civilian needs. Other duties assigned to this Office assume and require the existence of such recognized programs.

None of these programs can possibly be of more interest to the Office of War Mobilization than the food program. I feel that one of our paramount needs is a balance sheet and forecast of our food position, projected with such exactness as unavoidable uncertainties permit, until the end of 1944. I wish to have from you a statement of the essential foods of our inventory, our production, and the demands on them. We must be sure that a balance is attained, allowing, if possible, a reasonable margin of safety for the possibility of increased demands arising from the events of the war. Against reliable figures for inventory and expected production, we must offset the requirements for 135 million people, from whom some 11 million may be required in the armed services.

For the year ending April 1, 1943, I am advised that we shipped under Lend-Lease \$37 million worth of agricultural products to Africa and the Middle East, and in the same period \$304 million worth of agricultural products to the Soviet Union, \$795 million worth to the United Kingdom, and \$47 million worth to China, India, Australia, and other areas. We must look at our further obligations of this character and see that they are within the limits of our inventory and supply.

In presenting this program, I should like to have a breakdown, both as to the expected source of supplies and as to the supply and requirements situation affecting any type or item of necessary food, in which the situation differs from the over-all average. In other words, if the supply and requirement picture differs widely in respect to meat, cereals, and dairy products, it will be necessary to outline the situation as it affects each, giving particular detail with respect to those commodities in which there is in your opinion most apt to be a shortage.

I should also appreciate it if you would accompany this supply and requirements statement with your recommendations as to the major steps that can be taken to increase the supply of those commodities in which the shortage seems probable or even possible.

Are we sufficiently utilizing the possibilities of expanded imports?

I would like to have a rather comprehensive statement of the manpower, machinery and other supplies that may be needed to meet our food goals both for the balance of this year and in 1944. The attainment of your goals will depend much upon the farmer securing at the right time and in the right place the needed manpower. This will mean that we must plan carefully to meet both with our domestic labor supply and with such additions from foreign parts or from war prisoners as may be practicable the labor requirements of the farmer. Moreover, I know, as you realize, with dwindling labor supplies it is more than ever essential that the farmer have the necessary repair parts to keep his present machinery in full and efficient operation and be able, so far as is possible under current urgent production programs, to replace wornout machinery. I know you have given much thought to these matters but I should like to have you integrate all these problems into your program.

I am, also, anxious to have some statement of available per capita food supplies, separately stated, for the balance of this year and 1944. I should like to see these compared with per capita civilian consumption 1938 and 1939. It has been stated on several occasions that currently, and in spite of rationing, the average civilian is today obtaining more food than in 1939. It would be interesting to ascertain whether these statements are accurate.

I have heretofore requested the armed services to review their own food requirements. While no one would want our soldiers and sailors to be denied sufficient food under any circumstances, it is important that the food inventories of the armed forces be restricted to reasonable limits. It is possible that you are, also, inquiring into this matter, and I would be pleased to receive your comments on this situation.

I know that transportation is going to enter into your ability to handle the distribution of our food products both this year and next year. Delays in marketing cattle during the summer will mean that heavy demands will be made on our transportation equipment this fall to handle the run of cattle to market. Prompt steps must be taken to deal with this situation. Further, as you know, the feed situation in the East is quite critical. I have heretofore requested the Chairman of the War Production Board to increase the transportation facilities in the Great Lakes to assure the movement of more feed wheat by barges and boats to the East. I have spoken, also, to the War Shipping Administration about increasing the imports of molasses to relieve the demands of eastern industrial plants for wheat which can thereby be diverted to feed purposes. I know that you have this transportation problem under serious consideration and I would like your detailed comments thereon.

It seems advisable to me that you should, also, be certain that our present rationing machinery is making available to the consumer his share of our food supply. I inquired of the Office of Price Administration about this some time ago, but it is undoubtedly more proper for you to assure yourself on this point.

I shall hope to have from you within three or four weeks, and at any rate not later than the end of August, such a statement of our food resources and liabilities for presentation to the War Mobilization Committee, and such comments on points like those specifically mentioned above that will enable this Committee readily to obtain an authoritative and intelligent picture of the situation which confronts us in supplying the actual food needs of our civilian population, while still making necessary contributions to the welfare of our allies and of liberated populations.

Sincerely yours,

HONORABLE MARVIN JONES,
Administrator, War Food Administration,
Washington, D. C.

[S] JAMES F. BYRNES,
Director.

WAR FOOD ADMINISTRATION

Washington

OFFICE OF THE ADMINISTRATOR

February 15, 1944.

HONORABLE JAMES F. BYRNES, *Director,*
OFFICE OF WAR MOBILIZATION,
Washington, D. C.

MY DEAR MR. BYRNES: In response to your letter of July 12, 1943, I have sent you a number of reports on various aspects of the food program for 1944. Here-with I summarize them, along with additional material required to provide a comprehensive and proportioned view of the food situation. It seems desirable that in its present form the information should be published for distribution to interested citizens. This account of the 1944 food program deals with the requirements which the program must fulfill, and with the plans, facilities, and resources that will be available for the task. There is a chapter on fisheries, in the preparation of which the Department of the Interior assisted. The broad world setting in which our program operates receives full treatment, because this country has numerous partners in the job of producing and distributing food for victory.

Sincerely yours,

(S) MARVIN JONES,
Administrator.

FOOD PROGRAM FOR 1944

THE PROBLEM AND THE OBJECTIVES

Our food program now and for the duration must support our armed forces and our civilians, contribute to the needs of our allies, and help to feed the peoples that Allied victories liberate. These are related, not separate, objects. That our fighters need an abundant, properly balanced dietary goes without saying. Good feeding of our civilians has vital military importance, since civilian energy is the source of ships, planes, tanks, and guns; and the food we send to our allies makes fighting power for them. Similarly, the feeding of liberated peoples has military value; it is both a physical and psychological weapon, which transforms liberated peoples from dependents into allies. Particularly, the food program aims to provide not just any kind of food, but the food we and our allies can use best. It does so on plans developed through constant teamwork among farmers and official agricultural agencies, both State and Federal.

Shaping food plans to the requirements of the war calls for flexibility almost to the degree that battle-front operations do. Changes in Italy, in the Mediterranean, and on the Russian front, successes against German submarines, agricultural recovery in liberated Africa, the growing diplomatic unity of the Americas and our advances in the Pacific affect our food plans. Program adjustments also have to be made incessantly in line with national stabilization policy, with the allocation of machinery and of production supplies of various kinds, and with the availability of labor. The adjustment task never ends, because the situation to which adjustment must be made is constantly changing. Yet the fact that our food production in this war has increased considerably more than it did in the corresponding years of World War I, and that it has been much more closely shaped to our needs, would seem to show that by and large the program has succeeded.

Food production on the Nation's farms attained a new high record for the seventh successive year in 1943, and the Government is asking farmers to increase their acreage for 1944 and to continue heavy production of meats, dairy products, and eggs. Even complete fulfillment of this program, however, will not satisfy the ever mounting need. Military and lend-lease requirements are still increasing; and with civilian buying power rising also, the food demand inevitably outstrips the supply. It is simply not possible to have all the food we and our allies could use, not only because acreages and livestock numbers are limited, but also because we must balance food production with the production of all war necessities from bayonets to battleships, through what seems to be the best apportionment of labor, machinery, and

other things. Abundance of food, in the sense of a sufficiency to satisfy all desires, would mean shortages of something else, perhaps of things indispensable on vital battle fronts.

It should be borne in mind also that the food achievement will not depend exclusively on the soundness of the program, or even on the skill, resourcefulness, and activity of the farmers. The weather influences farming unpredictably; in 1944 it may be unfavorable. Farmers achieved their record output in 1943 under weather conditions less favorable than those of the previous year, and the increase was not in crops but in livestock and livestock products. Crop production was almost 10 percent less than in 1942, though slightly above 1941. With bad weather, a drop in the 1944 farm output could take place with no drop whatsoever in farm activity, farm efficiency, or administrative leadership.

Food production and food prospects must be appraised, of course, in the light of the requirements, because abundance or shortage is always relative. For example, our food production in 1943 was nearly one-third greater than the pre-war (1935-39) average; yet in contrast with the pre-war output, which exceeded the demand, it was insufficient. Naturally, however, the requirements data are quite largely confidential. Precise information about the kinds and quantities of food that our own military service will need, and about what we shall send to Great Britain, to the Union of Soviet Socialist Republics, and to liberated areas, would be useful to the enemy. Consequently, the citizen has to depend chiefly on published supply and allocation figures in his attempts to size up the food situation, with only such extra help as he can get from his own experience as a food buyer and from his knowledge of the general war situation. Thus false views get around—either exaggerated ideas of the so-called food crisis or complacent assumptions that everything is going well.

Since the Nation wants neither scares nor complacency, this report endeavors to provide the reader with a somewhat broader basis for drawing conclusions. It describes the food problem and the objectives, outlines roughly requirements to be met from the 1944 production, describes the estimated production capacity in terms of specific war needs, and summarizes the crop goals. It provides key data also on price-support activities, the wartime food distribution system, and the position with respect to labor, machinery, production supplies, and storage and transportation. In addition it surveys the world food situation, so that our own food effort can be appraised in its relation to the comparable effort of the other United Nations, and also against the background of the total war food problem. Viewed in this setting, which reminds us that advancing allied battle fronts will add to our food liabilities, the 1944 food program assumes the only form in which it can be truly judged; namely, the form of an integral and proportioned part of the national war effort as a whole.

Foods available in the United States for export constitute only a small proportion of the food requirements of the United Nations and of liberated areas. This is true even of important kinds that we normally produce in excess of our own consumption. Of the total exportable supplies of food available to the United Nations, this country has only 7 percent of the wheat, grain, and flour; one-fourth of the fats and

oils; one-third of the meats, fish, and rice; and somewhat larger proportions of canned fish and dried fruits and of beans and peas. As the food demands of reoccupied territories increase, food production will need to be increased in the other United Nations, and also in areas to which they have access. Accomplishment of this objective requires close integration of agricultural production and distribution among the United Nations and in certain neutral countries.

Such work is being actively promoted by the War Food Administration through the Combined Food Board. The President of the United States and the Prime Minister of the United Kingdom created this board in June, 1942, expressly for the purpose of achieving a planned and expeditious utilization of the food resources of all the United Nations. Responsibilities of the board concern all food matters, from production to consumption, in which the United Nations have a common concern. Authorized representatives of the interested countries form International Commodity Committees, which do global planning for efficient utilization of the available food resources. Collaboration between the War Food Administration and the agricultural authorities of Canada and Mexico is an important part of the inter-allied food effort. Various food development programs are under way in South America, in West Africa, and in other parts of the world. Some of the more already making significant contributions to the United Nations' food supply.

Objectives of the food program may be stated as follows:

1. To use in the production and distribution of food, such quantities of the Nation's total resources as can contribute more to the war effort in this employment than they could in any alternative employments.
2. To use these resources with the maximum efficiency in supplying the kinds and quantities of commodities that yield the highest returns in terms of essential needs.
3. To secure a distribution of food, internationally among all countries depending upon it in their war effort and internally among all domestic groups, which will insure the greatest practical equity in sharing and the best use toward winning the war.

To realize these objectives, production must be adjusted in such a way as to emphasize enterprises which yield large quantities of needed nutrients in relation to the amount of labor and other critical resources used in production and distribution. It is necessary to recognize, however, that shifts between farm enterprises have very important physical limitations, especially if they are to be made in a year or two, and that eating habits are strongly established and are not changed radically without serious difficulties.

In the distribution of our food supplies, all requirements, domestic, military, and foreign, must be carefully evaluated so that, so far as possible, every pound of food will go where it is most urgently needed. United States supplies must be considered in relation to supplies available elsewhere, and production resources in all areas accessible to the United Nations should be drawn upon to the fullest possible extent. The importance of domestic food needs must not be over-

looked. United States production of war materials is a factor of steadily increasing importance, and adequate food is essential to morale and production efficiency.

Until quite recently, the importance of allocating a sufficient portion of the Nation's productive resources, including labor and materials, to food production has been greatly underestimated by many not familiar with food needs or food production. It is a mistake to suppose that the agricultural surpluses of the 1930's signified that we had inexhaustible reserves of food and capacity to produce it. Events of the last year have shown that we cannot afford to neglect any of the action needed to achieve an all-out food program. Specific programs designed to accomplish this objective are described in succeeding sections of this report.

REQUIREMENTS TO BE MET FROM 1944 PRODUCTION

Estimates have been prepared covering all essential needs of our own civilians and military services and also of those needs of our allies that can be met most economically from United States supplies. These estimates include only basic needs. Fulfillment of them will necessitate an even greater production than the record high level of 1943.

CIVILIAN REQUIREMENTS

The major part of our agricultural production is consumed by the civilian population. One approach to estimating civilian needs might be to estimate how much of each food item would be purchased by consumers at the prices and with the income level expected to prevail this year. The result would be larger quantities of most foods than have ever been consumed before in this country. The increases would be greatest for such foods as milk, meat, eggs, fresh fruits, and vegetables. This is clearly evident from the upward trend in consumption of these foods during 1941 and 1942 as civilian income went up.

While it is important that the civilian food supply be adequate to maintain the health, vigor, and morale of the population, it is not necessary that enough food be available to satisfy the current high level of demand for all kinds of food. After our own military and civilian food needs have been met, any additional food that can be produced will contribute more toward winning the war if it is made available to our fighting allies who need it urgently.

Meat requirements are estimated at the level of consumption under the present rationing program (about 2 pounds per person per week, retail weight). This level is known to be adequate nutritionally, and has been tested by experience during 1943. Requirements for all fats and oils in 1944 are likewise estimated at the 1943 rationing level (about 44 pounds per capita). This again is above specific nutritional needs for fats and oils.

Different bases were used in estimating requirements for eggs and poultry. Eggs are a highly important food in our dietary habits. It is generally recognized that it would be extremely difficult to ration them successfully, and without rationing a very short supply would create serious distribution problems. Therefore, civilian requirements for eggs have been placed close to the estimated demand at the prices expected to prevail throughout the year. Poultry requirements for 1944 approximate consumption during the preceding year, although the market would take considerably larger quantities. But without restriction of civilian use, there would be none available for the Army and Navy.

Dairy products are extremely important in the civilian food supply because they are excellent sources of several of the essential nutrients. They are especially important to children and nursing and expectant

mothers. Furthermore dairy production represents a relatively efficient use of feed if all of the nutrients in the milk are used as food. It is physically impossible, even in peacetime, to increase milk production very rapidly since it takes about 2 years to grow a calf into a milk-producing cow. Production during 1944 also will be dependent upon feed supplies, which have been short in relation to cow numbers and to the total livestock population.

The current level of production of cereals is well above the domestic needs for human foods. Since cereals represent one of the most economical sources of nutrients, requirements are estimated on the basis of the quantities likely to be consumed.

Potatoes, sweetpotatoes, dry beans, and dry peas are crops which yield a high return in nutrients in relation to the land, labor, and other resources used in their production. Hence, it is the policy that these foods should be available in ample supply to meet all demands for them. They should be available to fill any gaps in the supply of other foods. Requirements are estimated on the basis of unrationed consumption of dry peas and potatoes and on the basis of the liberal ration of dry beans.

Requirements for processed fruits and vegetables are estimated at approximately the level of consumption under the 1943 rationing program. One exception is made in the case of canned tomatoes of which we need more because of the importance of tomatoes as a source of vitamin C. Since it is believed to be impracticable to ration fresh vegetables and fruits, requirements are estimated as the quantity necessary to permit reasonably satisfactory national distribution without rationing.

The requirement for sugar was determined so as to provide a level of consumption similar to that of 1943.

The civilian requirements as a whole have been tested as to their nutritional adequacy as well as to their suitability from a dietary standpoint. They will provide reasonably well for all groups with special needs. Problems of distribution have been taken into account. While supplies of some foods will be less than would be needed with unrestricted demand, other foods will be available in ample supply so that everyone can have enough good and nutritious food to satisfy his needs.

MILITARY SERVICES REQUIREMENTS

The various United States military services have estimated their needs from this country by deducting their estimated procurements from other sources (e. g. meat and fresh vegetables and many other foods in Australia and New Zealand) from their total needs. The military services have gained considerable experience in estimating their needs since the early days of the war. Their representatives have participated in allocation meetings with representatives of the War Food Administration and the other claimants, and have become acquainted with the supply situation, and with the kinds of adjustments that are called for. Studies have been made of waste and ways to prevent it. Their estimates of requirements are taken for production-planning purposes as essential needs that should be met.

Military food requirements depend not only on the total number of men in service, but also on the proportion of men overseas and the

multiplicity of fighting fronts. The more men there are overseas and the more fronts we must supply, the greater the total quantity of food required by our armed forces. Moreover, as soldiers leave this country for overseas duty, the kinds of food they need change. Canned or dried fruits and vegetables replace fresh supplies. Processed meat replaces fresh to a great extent. Evaporated milk, cheese, and dried milk must be used in place of fresh fluid milk. In general, the shift is to less perishable and more concentrated types of foods.

LEND-LEASE REQUIREMENTS

Food is made available to our allies to help feed their fighting men and the civilians at home who produce the materials of war. For a time, it was possible to supply all of the food that our allies could ship with the cargo space available to them. They were in the position of having to choose between guns, tanks, ammunition, or food as cargoes for the ships. Gradually, more shipping space became available, and in many cases the supply situation rather than shipping became the limiting factor. By negotiation and adjustments among the various claimants, the supply program of each has become fairly well established. The United Kingdom, for example, is able to provide a nutritionally adequate and economical, though perhaps monotonous, food supply for her people through an increased and carefully balanced domestic production, supplemented by imports from the Dominions, the United States, and other countries. Our contribution is a small but vital part of the total. United States aid in 1944 is estimated as the quantity and type of food which when added to the supplies otherwise available will maintain the people's fighting and productive strength. It is estimated that the total quantities to be shipped in 1944 won't differ substantially from those shipped in 1943.

In the case of Russia, which is receiving an increasing proportion of total lend-lease food shipments, available cargo space has been a most important determinant of the extent of United States aid. The Russian needs for food are large—so far, at least, the Russian victories have increased rather than decreased Russia's food import requirements—but the Russians must make the choice between food and guns; so their food requests are largely for concentrated energy foods for the Red Army. Their requirements were estimated on the basis of a continuation of or slight increase over 1943 shipments, though it is certain that much more food would be needed to provide the Russians with anywhere near an adequate supply.

OTHER LEND-LEASE REQUIREMENTS

Almost all lend-lease food shipments are going to Russia and the United Kingdom. Very small quantities of lend-lease foods are also going to North Africa and a few other areas, principally on a cash-repayment basis. Many of these countries are bases for Allied military operations. The quantities of food shipped are relatively small, but in each case they meet a definite need and are directly related to the conduct of the war. Requirements to be met from 1944 production are estimated at approximately the level of current shipments.

Through the Red Cross, the United States can supply foods to its civilians or soldiers who are held in enemy custody. According to

escaped and liberated prisoners of war, these foods are necessary not only to maintain health and morale, but also in many cases life itself. The total requirements are relatively small, and supplies for these purposes in 1944 will be only slightly larger than in 1943.

REQUIREMENTS OF LIBERATED AREAS

Great uncertainty attaches to food needs for the liberated countries, both as to extent of the needs and the time when they will arise. However, there can be little doubt but that considerable needs will confront us in 1944. Experience in North Africa and Italy has demonstrated that meeting the most urgent food needs in liberated areas is a military necessity. Moreover, after the initial relief period, during which a country is enabled to maintain itself, rehabilitation measures may be applied and in the end food dividends from a liberated area may be greater than our original investment. North Africa, for instance, is now able to help supply Allied troops in the Mediterranean theater and to export some food to England as well as to provide for her own needs.

Estimates of total needs from external sources for the liberated areas of Europe, prepared by OFRRO, the Army, and UNRRA, were available. These estimates were intended to indicate the quantities of food necessary to supplement local supplies and bring the total per capita food supply up to a minimum subsistence level of approximately 2,000 calories per day. Since this is a joint responsibility of the United Nations, only a part of the needs would be met from this country. The resulting preliminary estimates of requirements from the United States are moderate in size, and total about 3 million tons for 1944. Obviously, estimates of needs for liberated areas must be subject to revision from time to time and we should be prepared for a favorable course of military developments, and consequently for increased requirements from liberated areas. Emphasis is on grains, cereals, beans, peas, soya products, with certain minimum amounts of animal proteins and concentrates.

NEUTRAL AND FRIENDLY NATIONS REQUIREMENTS

Small quantities of food are exported to various neutral and friendly nations. These countries supply us with other kinds of food and with other commodities that we need. This trade is mutually advantageous, especially since pre-war sources of the supply of many products have been cut off. Estimates are made of the future volume of these exports of agricultural products. Likewise prospective imports are estimated so that they may be deducted from total requirements in calculating the volume of domestic production needed. In a number of areas production of food for export is increasing, and making available more for shipment to the United Nations or to countries which we are now supplying.

UNITED STATES TERRITORIES AND POSSESSIONS REQUIREMENTS

Our outlying territories and possessions, such as Alaska, Puerto Rico, Hawaii, and the Virgin Islands, have suffered serious disruption of their normal economic life and trade. Shipments of food from

the mainland to Puerto Rico, for example, have been necessary to prevent starvation, rioting, and general demoralization. Continuation of such shipments is provided for in the requirement estimates.

TOTAL REQUIREMENTS

(Including needs of United States civilians, military and war services, allies, etc.)

Total requirements for some of the more important foods in 1944 estimated in the manner described above are larger than total 1943 supplies by the percentages indicated below:

	<i>Percent</i>
All meat-----	6
Dairy products-----	3
Edible fats, excluding butter-----	11
Eggs-----	4
Potatoes (Irish)-----	14
Canned vegetables-----	8
Canned fruits-----	7

To the extent that imports can be increased, the increase necessary in domestic production will be reduced, but imports are not large for any of these items. The increase in requirements is primarily a reflection of increased military needs, although anticipated food needs for liberated areas account for part of the increase.

FARM PRODUCTION INCREASE SINCE 1939

Changes in our agricultural production brought about by the war have included both increases and shifts in many crops. The outbreak of the war in 1939 curtailed the demand for some products, but increased it for others. In 1940 our defense program got under way and simultaneously we increased our exports of munitions to Great Britain and other allied countries. These activities added greatly to the home demand for agricultural products. Approval of the Lend-Lease Act in March 1941 revived the export movement. Soon the demand for agricultural commodities became so strong that the Secretary of Agriculture announced a Food for Defense program and offered price supports for hogs, chickens, eggs, dairy products, and other specially needed products.

More production of dairy products, eggs, pork, lard, and other fats and oils, for both domestic and lend-lease uses, came high on the list of needed products, together with increased production of feed-stuffs for livestock. Our stocks of wheat and cotton were large, and some agricultural manpower and other resources could usefully be diverted from these to other crops. Under the stimulus of price advances farmers brought latent resources into use and responded to the constantly increasing need with a constantly increasing output. Certain obstacles developed. Steady losses of manpower in particular curtailed farm production resources, and farm equipment became scarcer. Nevertheless, the farmers turned out crops above all previous records. Farm production, which had been at an all-time high in 1939, went still higher successively in 1940, 1941, 1942, and 1943 (fig. 1).

Farmers produced these satisfactory results in a crop pattern very different from that of the pre-war years. They changed their production over as well as up. In the 3 years, 1941, 1942, and 1943, the area of 52 crops planted or grown increased from 346 to nearly 361 million acres. The area planted to 2 of the most important crops, namely wheat and cotton, declined in 1941 and 1942. On the other hand, the acreage of soybeans and peanuts more than doubled, and production of feedstuffs expanded. The corn acreage increased moderately, though corn had come into increased competition with soybeans. The area of other feed grains and also that of hay increased, partly in a shift from wheat and cotton, with the result that we now have about 10 percent more acreage in such crops than we had in 1939.

Wheat and cotton are vital war crops. When the war began, however, we had large stocks of them on hand, and conversely, marked shortages of other essential farm commodities. Temporarily, therefore, we could draw on wheat and cotton reserves. But wheat is not only a leading food crop with an immense potential relief role ahead of it, but also an important source of feed for livestock, while



In 1943 American farmers produced the most food in U.S. history, and expect to exceed this record in 1944!

FIGURE 1.—Farm production in the United States, already at an all-time high in 1939, went still higher successively in 1941, 1942, and 1943. The goal for 1944 is for still higher production.

cotton fiber provides many industrial and war materials as well as clothing, and cottonseed contributes greatly to the supply of oil and feed. The War Food Administration has asked farmers to increase their wheat acreage considerably in 1944 and has lifted cotton marketing quotas.

Our total crop acreage has increased since 1939 approximately 18 million acres. In addition, yields per acre have increased, mainly as a result of favorable weather conditions, but partly as a result also of improved farm practices. Hence the percentage increase in production has exceeded the percentage increase in the acreage.

In the production of domestic oil-bearing crops, the increase has been tremendous. In 1938 our area of oil-bearing crops, flaxseed, peanuts, and soybeans aggregated 5.6 million acres. By 1941 it had jumped to 11 million acres. In 1942 the harvested acreage rose to 17.9 million acres, and the acreage for harvest in 1943 was above 20 millions. In total the oil-bearing crops now comprise about 5.7 percent of the total crop acreage, as compared with only 2.5 percent in 1939. Though we have not yet fully overcome the war-caused shortage of fats and oils, our position is vastly more favorable than it was 2 years ago.

In the 1942-43 crop year, for the first time since 1937-38, the disappearance exceeded the production of wheat in the United States. This change from the position in the intervening years reflected an increased demand for wheat for the feeding of livestock, and also considerable use of wheat in the production of alcohol. On July 1, 1942, our carry-over of wheat reached a record high level of 632 mil-

lion bushels. It dropped on July 1, 1943, to about 618 million bushels. Large reductions will come in the 1943-44 crop year. Current and prospective increased demands, along with estimates of possible world-relief requirements, have warranted the fixing of a wheat goal of 68 million acres for 1944, or 14 million acres more than was planted in 1943.

Livestock production has increased with astonishing rapidity since the war began, in response to price stimulus and appeals that emphasize its great importance. Products most needed for military and lend-lease use include lard, pork, eggs, and dairy products. Hog production, which responds more readily than most other lines to increased demand, has increased more than 50 percent above the 1935-39 average. It is impossible rapidly to increase the number of cows on farms, but such increase in the number as is possible combined with heavier and better feeding can substantially increase the dairy production. The output in 1943 was about 10 percent above that of 1939. Beef production continued to increase, while the production of sheep declined slightly. Cattle numbers are at record high levels. Poultry production has jumped greatly both in eggs and in poultry meats.

In April 1941 the Department of Agriculture announced a hog-price support program; by this time, moreover, an increased demand for hogs had caused the price level to rise. Farmers raised about 80 million pigs in 1940, 85 million in 1941, and 105 million in 1942. The production in 1943 was nearly 122 million, and the number of hogs on farms in 1944 will be at an all-time high. By the end of 1943 it exceeded 80 million head, as compared with the previous high level of 69 million in 1923. Moreover, hogs were being fed to exceptionally heavy weights; in fact, to weights above the level justified by the feed supply. The average weight in federally inspected slaughter in 1943 ran above 250 pounds. In the 1939-40 season the average was 234 pounds. As a result of the increase in hog numbers and in the average light weight for slaughter, the production of pork in 1943 exceeded 12 billion pounds dressed weight. The comparable figure for 1942 was 10,642 million pounds; for 1939 it was 8,600 million pounds.

Since 1939 the number of milk cows on farms on January 1 has increased from 24,600,000 to 26,900,000 head, and average feeding practice has improved; but loss of labor from the dairy farms, some reduction in supplies of feedstuffs, and the fact that pasture conditions are not as good as they were in 1942, create difficulties for dairymen. Moreover, a previous relatively high price of hogs encouraged the feeding of corn to hogs rather than the shipping of it to dairy regions and other corn-deficit areas.

Along with the expansion of dairying it has been necessary to develop increased facilities for converting milk into the products most needed, especially cheese and concentrated milk. The War Food Administration has offered necessary price supports and encouraged the milk-processing industry in other ways. It has encouraged greater production of cheese and endeavored to improve conditions for the production of condensed, evaporated, and dried milk. In both cheese and concentrated milk the output in 1942 rose more than 50 percent above that of 1939, while production of butter declined about 4 percent. Output of cheese and concentrated milk dropped to some extent in 1943. Marketing of fluid milk increased.

The belief in some quarters that food production has not kept pace with other production has complete refutation in the single example of the dairy industry, which has provided immense quantities of milk products for shipment overseas and at the same time fully maintained the supply of fluid whole milk for civilian consumption.

Agriculture's vigor and responsiveness to the war emergency appear also in the story of poultry production. Even with full allowance for the fact that increase can naturally be more rapid in poultry than in other livestock, the figures are surprising. On January 1, 1943, the number of chickens on farms had increased about 30 percent over the number for January 1, 1939. Production of chicken meat that year had increased about 35 percent over production in 1939. Egg production had increased about 40 percent, with a building-up of poultry flocks which promised continued expansion in egg production.

Our food production in World War II up to the end of 1943 increased considerably more than it did in the corresponding years of World War I. (Table 1). On a per capita basis the output was about the same in the first year of both world wars; namely, about 5 percent above the average for the base period 1935-39.

In 1915 the production rose 3 percent but in 1916 and 1917 it declined because of crop failures. In 1918, however, the per capita food production increased 9 percent over that of the previous year, and established a record that lasted until 1941.

In World War II the food-production story became much more striking. From the 1939 level it increased on a per capita basis 4 percent in 1940, 3 percent in 1941, and another 8 percent in 1942. It showed a further increase of 3 percent in 1943.

TABLE 1.—*Agricultural food production for sale and farm home consumption in World War I and World War II*

[Index numbers (1935-39=100)]

Year	Production			United States population ¹	Per capita production ²		
	Food crops	Food live-stock	Total		Food crops	Food live-stock	Total
1910-14 average.....	75	79	78	74	101	107	106
1914.....	88	78	81	77	114	101	105
1915.....	92	82	84	78	118	105	108
1916.....	70	84	81	79	89	106	103
1917.....	75	84	82	80	94	105	102
1918.....	89	90	90	81	110	111	111
1935-39 average.....	100	100	100	100	100	100	100
1939.....	105	106	106	101	104	105	105
1940.....	109	112	111	102	107	110	109
1941.....	116	115	115	103	113	112	112
1942.....	124	126	126	104	119	121	121
1943 ³	113	138	132	106	107	130	125

¹ Population on July 1.

² Index of production divided by index of United States population.

³ Preliminary.

Our position was more favorable this time. Three seasons of good weather preceded the outbreak of World War II, and built up large reserves of feed grains. Moreover, the period between the wars saw great improvement in farm machinery and farm practices. Also,

the soil benefited from Nation-wide conservation measures. Transportation problems were less difficult in the early years of the present war. These advantages were offset partially by shortages of farm machinery and farm labor.

Food problems were radically different in the two wars. In World War I chief shortages were in wheat, sugar, and meats (chiefly pork). Severe shortages of sugar and wheat developed, partly as a result of the rival blockades, and in the case of wheat partly as a result of short world supplies. In the early years of the present war, on the other hand, wheat for food was not a problem and the sugar situation was not very critical. Overseas demands were relatively greater for meats, eggs, dairy products, fruits, and certain vegetables. Loss of imports from the Pacific areas necessitated greatly increased production of oil-bearing crops for both domestic and export uses.

In both periods the production per capita of livestock food products held up better than the production of food crops. Food livestock production in 1918 was 10 percent greater than in 1914. In this war, between 1939 and 1942 the per capita food livestock production increased 15 percent and in 1943 showed another gain of about 51.7 percent. Production of food crops on a per capita basis in the World War I period showed a slight decline. It reached a near record level in 1915, but was substantially lower in 1916, 1917, and 1918. In 1918 it was 4 percent below 1914. In the present war the per capita production of food crops increased 14 percent between 1939 and 1942, or from 104 to 119 percent of the 1935-39 base. The production in 1943 was about 107 percent of the 1935-39 base.

UNITED STATES AGRICULTURAL PRODUCTION CAPACITY

Claims on United States food supplies have to be balanced against the capacity of our agricultural production plant. This in turn is partially dependent on the amount of labor, machinery, supplies, and processing and transportation facilities which can be allocated to agricultural production and on the efficiency with which they are used.

An appraisal of agricultural production capacity in the United States to meet the wartime need for food and other farm products has been made by representatives of the Department of Agriculture in cooperation with the State agricultural colleges. In this appraisal of production capacity the following assumptions were made regarding the factors affecting production in 1944¹:

Manpower.—It was assumed that up to 70,000 additional year-round workers would be available to agriculture from other occupations; that through a vigorous program of redistribution, up to 192,000 underemployed farm workers would be placed on farms greatly in need of year-round help; and that help hired at peak seasons would not exceed 110 percent of the number of workers hired in the corresponding peak months of 1942.

Fertilizers.—Nitrogen, 477,000 tons, enough for minimum needs; potash, 535,000 tons, probably short of minimum needs, increased production unlikely; phosphoric acid, 1,122,000 tons, probably enough for all essential needs.

Feed grains.—Net inshipments (7,123,000 tons) into Northeast, Appalachian region, Southeast, South Central States, and the West. Net outshipments (3,965,000 tons) from Great Plains, Corn Belt, and Lake States. Foreign imports, 3,158,000 tons. Industrial use, 12,664,000 tons (mostly in Corn Belt and Lake States). Not enough to maintain 1943 livestock numbers and weights. Careful feeding is necessary. Strong competition among regions and classes of livestock for available supplies.

Insecticides, fungicides.—Supplies at least equal to 1943. A small supply of pyrethrum (4 to 5 million pounds) for agricultural and essential civilian uses. Rotenone, 4 to 5 million pounds, compared with 3½ million in 1943. Adequate supplies of nicotine sulfate (around 4 million pounds), cryolite, barium fluosilicate, copper sulfate, sulfur, and petroleum derivatives.

Seed.—Special efforts have been made to obtain adequate seed supplies. The amounts available will be ample save for cabbage, onion, beet, and carrot seed, northern-grown alfalfa, alsike clover, and hairy vetch.

Transportation, processing.—Number of refrigerator and heated cars same as in 1942, but generally tighter rail transportation. Con-

¹ These estimates, prepared in 1943 as a basis for the production capacity estimates, are not forecasts and do not agree in some cases with the present estimates of resources that actually will be available.

tinued scarcity of wood containers; tin and steel plate available to can at least as much in 1944 as in 1942.

On the basis of these assumptions (which are not forecasts of the resources that will be available) the capacity of the agricultural plant was estimated to be as shown in table 2.²

TABLE 2.—*Acreage in principal uses of farm land, livestock numbers, and products, wartime capacity with comparisons*

Item	1942	1943	Wartime capacity		Percentage	
			1944	Maximum ¹	1944 of 1943	Maximum of 1943
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>Percent</i>	<i>Percent</i>
Corn.....	60,552	97,136	96,304	97,570	99	100
Sorghums, all except sirup.....	15,826	17,291	16,253	16,356	94	95
Soybeans, grown alone.....	13,879	14,762	17,200	18,764	117	127
Cowpeas, grown alone.....	3,438	2,266	2,814	2,876	124	127
Peanuts, grown alone.....	4,388	5,202	6,477	8,873	125	171
Cotton, all.....	23,302	22,151	21,850	22,404	99	101
Tobacco, all ²	1,377	1,462	1,466	1,448	100	99
Sugarcane for sugar ²	291	300	322	326	107	109
Sugar beets.....	1,048	619	928	877	150	142
Potatoes, Irish.....	2,789	3,430	3,899	4,695	114	137
Sweetpotatoes.....	710	898	1,093	1,609	122	179
Beans, dry edible.....	2,106	2,734	3,061	3,322	112	122
Processing vegetables, total.....	2,100	2,080	2,275	2,470	109	119
Fresh vegetables, total ²	1,662	1,560	1,796	2,088	115	134
Other intertilled, total ²	1,658	1,596	1,616	1,506	101	94
Total.....	165,126	173,488	177,354	185,214	102	107
Adjusted for double cropping ³	2,872	2,488	3,736	4,315	150	173
Total land used for intertilled crops.....	162,254	171,000	173,618	180,899	102	106
Oats.....	42,595	42,858	40,217	38,808	94	91
Barley.....	19,536	17,329	18,296	18,297	106	106
Wheat, all.....	52,227	55,109	64,327	66,589	117	121
Rye for grain ²	3,860	2,777	3,272	3,257	118	117
Flaxseed.....	4,715	6,320	5,687	5,864	90	93
Hemp, all.....	52	236	262	274	111	116
Peas, dry field.....	519	832	966	1,237	116	149
Rice.....	1,483	1,531	1,569	1,696	102	111
Buckwheat.....	403	528	432	474	91	90
Other close-growing crops ²	1,059	812	548	581	67	72
Total.....	126,449	128,332	135,623	137,055	106	107
Adjusted for double cropping ³	513	1,306	1,066	964	82	74
Total land used for close-growing crops.....	125,936	127,026	134,557	136,091	106	107
Hay, all tame, except soybean, cowpea, peanut and small grain ²	49,770	49,183	51,049	52,174	104	106
Seeds, hay and cover crops, all ²	4,492	4,428	5,352	5,997	121	135
Total.....	54,262	53,611	56,401	58,171	105	109

¹ The assumptions used in making the appraisal of maximum wartime production capacity are outlined and discussed in Our Food Potential, United States Department of Agriculture in cooperation with the land-grant colleges, Washington, D. C., January 1944. Preliminary draft.

² Harvested acreage. All others are planted acreages.

³ Preliminary. In making the adjustment for multiple use of land by crops within the same group and in 2 or more groups the first use within the crop year was considered to be the primary use.

² Obviously, the acreage or production shown for each commodity does not represent capacity for that individual commodity, considered alone in a vacuum. Instead, the individual figures, considered collectively, represent the pattern which would result in the greatest practicable total agricultural production. In this restricted meaning the wartime "capacity" acreage or production of some commodities is below present levels—either (in the case of certain crops) because other crops will yield greater essential production per acre and per man-hour or (in the case of livestock) because we have used up the abnormally large feed reserves we had at the beginning of the war. More precisely, the "capacity" figures approximate the optimum acreage or production of individual commodities that collectively would result in the greatest practicable total wartime agricultural production balanced according to national needs.

TABLE 2.—*Acreage in principal uses of farm land, livestock numbers, and products, wartime capacity with comparisons—Continued*

USE OF CROPLAND—Continued

Item	1942	1943	Wartime capacity		Percentage	
			1944	Maximum ¹	1944 of 1943	Maximum of 1943
Adjusted for double cropping ²	1,000 acres 6,077	1,000 acres 6,183	1,000 acres 8,194	1,000 acres 10,224	Percent 133	Percent 165
Total land used for hay and seed crops.....	48,185	47,428	48,207	47,947	102	101
Total land used for crops ⁴	336,375	345,454	356,382	364,937	103	106
Summer fallow.....	50,408	46,318	36,703	32,090	79	69
Idle cropland.....						
Adjusted for multiple use ³	30	-----	836	729	-----	-----
Total land in fallow and idle.....	50,378	46,318	35,867	31,361	77	68
Total cropland ⁴	386,753	391,772	392,249	396,298	100	101
Plowable pasture ⁵	131,881	127,707	123,686	121,920	97	95
Adjusted for multiple use ³	8	16	12	10	75	62
Total land used for plowable pasture.....	131,873	127,691	123,674	121,910	97	95
Wild hay.....	12,528	13,401	12,482	12,543	93	94
Other land in farms ⁶	544,825	542,829	546,943	544,706	101	100
Total land in farms.....	1,075,979	1,075,693	1,075,348	1,075,457	100	100

NUMBER OF LIVESTOCK ON FARMS ⁷

	1,000 head	1,000 head	1,000 head	1,000 head	Percent	Percent
All cattle and calves ⁸	79,114	82,192	75,253	75,697	92	92
Milk cows ⁹	25,167	25,661	26,082	26,855	102	105
Beef cows ⁸	12,903	13,659	11,991	12,029	88	88
All sheep and lambs ⁸	55,775	51,718	52,043	52,163	101	101
Stock sheep; ewes, 1 year ⁸	37,722	35,095	35,960	36,243	102	103
Sows to farrow, spring.....	9,650	12,134	10,158	10,068	84	83
Sows to farrow, fall.....	6,814	7,601	6,755	6,773	89	89
Hens and pullets ¹⁰	426,226	487,837	494,159	492,094	101	101

PRODUCTION OF LIVESTOCK PRODUCTS ON FARMS ⁷

	Million units	Million units	Million units	Million units	Percent	Percent
Milk.....pounds.....	119,240	118,140	121,700	128,544	103	109
Beef and veal ¹¹do.....	9,782	9,400	(¹²)	10,580	-----	113
Lamb and mutton ¹¹do.....	1,036	1,070	(¹²)	868	-----	81
Wool.....do.....	392	384	(¹²)	369	-----	96
Pork ¹¹do.....	10,642	12,690	(¹²)	11,740	-----	93
Lard ¹¹do.....	2,455	2,900	(¹²)	2,710	-----	93
Eggs.....dozens.....	4,028	4,514	4,562	4,599	101	102
Chickens raised.....number.....	795	926	858	871	93	94
Broilers, commercial.....do.....	204	249	199	201	80	81
Turkeys raised.....do.....	33	33	35	34	106	102

⁴ Exclusive of orchards, vineyards, small fruits, market gardens, and rotation pasture.⁵ Including rotation (cropland) pasture.⁶ Including orchards, vineyards, small fruits, and market gardens.⁷ Data for 1943 are preliminary.⁸ Dec. 31.⁹ Average number during year.¹⁰ Jan. 1.¹¹ Dressed weight.¹² Not estimated.

Theoretically, the nutritive value of our food production could be increased 25 to 30 percent with the resources now allocated to agriculture, if we supplied to our armed forces, our civilians, and our allies only the minimum quantity of livestock products that nutritionists consider necessary for physical well-being. With a changed pattern of production, we could feed more people, though several years would be required to make a large shift.

For example, skim milk fed to hogs returns only one-tenth as much protein in edible form as does skim milk used directly as human food. Part of the skim milk now fed to livestock could be utilized for human consumption without excessive cost in the establishment of additional facilities, although some increase in prices now being paid for skim milk products would be required. The nutrients thus added to the food supply would include increases in protein, calcium, and riboflavin.

In fact considerable progress along this line has been achieved already under wartime conditions.

With the most extreme theoretical efficiency in production, we should still have to maintain enough livestock to use range and roughage that would otherwise go to waste. We entered the war with extraordinarily large reserves of feed grains, and our production of feed grains has been at record levels during the war. However, our livestock has increased even more rapidly in numbers, and has been liberally fed. As result, our feed reserves have been used up and we cannot hope to produce enough feed grains to maintain livestock numbers at the all-time high levels of 1943. We should maintain livestock production at the highest practical levels consistent with available feed acreages, but we shall need to rely on direct food crops for the extra food required for shipment to liberated countries.

For many obvious reasons, it is impossible to make extreme shifts in food production and consumption. The psychological and physical barriers are inescapable. The production capacity estimates in table 2 take account of practical limits to the rate at which we can change our habits of production and consumption. The agricultural production goals for 1944 are based upon considered judgments as to the extent to which consumers will accept shifts in the make-up of their diets and as to the extent to which producers can shift the pattern of production. Any increase beyond the goals in acreage or production of non-food crops, meats, and other products requiring relatively large amounts of resources in relation to their nutrient value can be only at the expense of decreasing our production of other vital foods—milk for example—and reducing the total number of people we can feed.

UNITED STATES AGRICULTURAL PRODUCTION GOALS FOR 1944

At a series of meetings in October and November, State goals were established by State agricultural leaders, including representatives of State agricultural organizations, farmers' organizations, and regional and State personnel of the Department of Agriculture. Available for consideration at these meetings were suggested goals which had been developed after careful consideration of the requirement estimates; data on the productive resources of the State; information as to the adequacy of labor, machinery, fertilizer, transportation, storage, containers, and other production and marketing factors; and information as to expected commodity returns.

Establishment of production goals is a method of translating national requirements for food and fiber into terms that can serve as guides to farmers in planning their individual production programs. Large production is needed but the production must be on a selective basis if the most efficient results are to be secured from the productivity of the soil, the labor, the fertilizer, and the equipment used.

The State farm groups reviewed the facts presented and arrived at their 1944 production goals. It was impossible in October 1943 to foresee just what the circumstances would be with regard to machinery, labor, prices, and other factors in production. Accordingly in some cases at the State meetings it was pointed out that achievement of desired goals might depend to a considerable extent on the adoption of recommended changes in price and other programs. Among the commodities mentioned as affected in this way were: Milk, soybeans, peanuts, flax, and dry beans.

It must be kept in mind that the 1944 production goals assume average yields, whereas yields in both 1942 and 1943 were above average for most crops. Acreage goals for many crops in 1944 are in excess of the acreage devoted to these crops in either 1942 or 1943. Comparisons on an acreage basis are shown in table 3. In some instances, the 1944 goals call for substantial increases over the 1943 acreage. For instance, the goal for wheat is just over 67 million acres, a 22-percent increase over the 55.1 million acres in 1943. The goal for corn, our most important feed grain and our greatest single crop, is 100.2 million acres, a 3-percent increase over the 97.1 million acres for 1943. The goal for soybeans, vitally needed as a source of oil, high-protein feed, and food, is 13.6 million acres, 26 percent higher than the 1943 production of 10.8 million acres and in sharp contrast with the 3-million-acre 1935-39 average for this crop. The goal for peanuts is 6.1 million acres planted alone (peanuts are also interplanted with other crops, such as corn). This is an 18-percent increase over the 5.2 million acres in 1943, and far in excess of the 1935-39 average of 2.2 million acres. Peanuts, like soybeans, are urgently needed for edible oil, for high-protein livestock feed, and for human food.

TABLE 3.—United States agricultural production goals for 1944, with comparisons

Commodity	Average 1935-1939	1942	1943	1944 Goal	Goal as percent of 1943
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>Percent</i>
Wheat.....	73, 235	52, 227	55, 109	67, 030	122
Rye ¹	6, 750	8, 860	2, 777	2, 408	87
Rice.....	1, 007	1, 483	1, 531	1, 525	100
Corn.....	97, 055	90, 552	97, 136	100, 253	103
Oats.....	40, 586	42, 595	42, 858	39, 558	92
Barley.....	13, 364	19, 536	17, 329	17, 372	100
All sorghums (except sirup).....	15, 029	15, 826	17, 291	16, 740	97
Soybeans (for beans) ¹	3, 042	10, 008	10, 820	13, 654	126
Peanuts (grown alone).....	2, 173	4, 388	5, 202	6, 158	118
Flaxseed.....	1, 938	4, 715	6, 320	5, 895	93
Broomcorn.....		253	272	414	152
Dry beans.....	1, 917	2, 106	2, 734	3, 048	111
Dry peas.....	281	519	832	895	108
Potatoes (Irish).....	3, 123	2, 789	3, 430	3, 519	103
Sweetpotatoes.....		710	898	1, 056	118
Sugar beets.....	892	1, 048	619	951	154
Sugarcane (seed and sugar) ¹	287	817	822	333	103
Cotton.....	28, 496	23, 302	22, 151	22, 277	100
Tobacco ¹	1, 644	1, 377	1, 462	1, 756	120
Processing vegetables.....		2 098	2, 079	2, 210	106
Fresh vegetables ¹	1, 745	1, 662	1, 560	1, 638	108
Cover crop seeds ¹		476	418	362	87
All tame hay ¹	55, 770	60, 121	61, 016	62, 838	103
	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	<i>1,000 head</i>	
Milk cows ²	23, 548	25, 159	25, 069	26, 148	102
Chickens raised.....	664, 000	794, 787	925, 652	892, 983	96
Broilers, commercial.....	69, 700	204, 060	248, 576	208, 805	84
Turkeys raised.....	27, 006	33, 157	33, 069	32, 079	97
Sows to farrow:					
Spring.....	6, 817	9, 650	12, 134	10, 325	85
Fall.....	4, 306	6, 814	7, 601	6, 898	91
Cattle and calves on farm ³	66, 684	78, 170	80, 800	76, 842	95
Beef cows ³	10, 496	12, 672	12, 466	11, 970	96
Sheep and lambs ³	51, 462	55, 775	51, 718	51, 901	100

¹ Harvested acreage.² Average number on farms during year.³ On farms and of year remaining after slaughter goal is reached.

Livestock production goals are particularly susceptible of misinterpretation. In the aggregate, those for 1944 contemplate a lower level of livestock numbers than in 1943, but supplies of livestock products available for consumption in 1944 will be larger than in 1943. The goal for the number of pigs to be farrowed in 1944 is 12.7 percent less than the number actually farrowed in 1943. The pork available for consumption or reserves in 1944 will be larger than in 1943 because it will be produced from the record pig crop of 1943. Supplies of beef for consumption are scheduled to be larger in 1944 than in 1943, not because the production goal for cattle is to be larger, but by adjustments in the number of cattle on farms through slaughtering more cattle than the number of calves to be born. Poultry-meat supplies will be larger in spite of a decline in the number of chickens expected to be raised in 1944 as compared to 1943, because 1944 goals propose adjustments in the number of hens and pullets in laying flocks during the year.

In other words, meat supplies available for consumption will be made larger in 1944 than in 1943 by reducing inventories of livestock and poultry on farms during the year. This reduction in inventories results in part from shifting more agricultural resources to the production of direct-consumption foods, and in part from the disappearance of the large Ever-Normal Granary stocks of feed grains on hand at the beginning of the war.

There will be no direct controls on agricultural food production in 1944. The State goals in many instances will be broken down into county goals, so that farmers may be able to interpret these goals more specifically in terms of their own farming operations. Every effort will be made to inform all farmers of the kind and quantity of agricultural production most needed to meet the demands of the war, and production supplies, labor, machinery, fertilizer, etc., will be made available insofar as possible so as to give impetus to the achievement of these goals. Major reliance, however, will be placed on returns to farmers to encourage the desired pattern of agricultural production.

The Victory Garden program for 1944 calls for a 10 percent increase in the number of gardens and a 25 percent increase in total food production.

About 20 million Victory Gardens were planted last year; they produced 8 million tons of food. Thus, the goals for this year are 22 million gardens and 10 million tons of food.

Few wartime programs of the Government have been as well received as the Victory Garden program. Gardeners rightly feel that they are doing war work, but there are also other reasons why gardening is popular.

Rationing of canned and frozen fruits and vegetables has stimulated interest in growing these foods at home. The opportunity to supplement the family's ration points appeals to enlightened self-interest. Increased prices of fresh vegetables in the market also play a part, and the opportunity for recreation at home appeals to many people.

The contribution of home gardens to the Nation's supply of fresh vegetables last year was remarkable. Unofficial estimates place the total commercial production in 1943 of vegetables for fresh consumption at 10,835,000 tons, and the production from Victory Gardens, including about 5 million farm gardens, at 7,940,000 tons. It appears, therefore, that home gardeners on farms and in towns and cities produced more than 40 percent of the vegetables grown for fresh consumption.

State Agricultural Extension Services will give special emphasis to gardening. Many of these services have assigned additional workers to the program, and all of them have prepared publications on gardening and home food preservation.

In general the recommendations as to choice of Victory Garden crops, for 1944 will be similar to those offered last year. The program emphasizes the importance of selecting crops that will give the greatest returns for the space occupied, and provide vitamins and minerals. Persons with small town or city gardens will be urged to plant tomatoes, carrots, beans, and green leafy vegetables. Crops like corn and potatoes are not recommended for very small gardens because they do not yield enough to justify the space they require. Peas, a favorite of many gardeners, are not recommended for the country as a whole because they require a relatively cool growing season. Because of the increased interest in edible soybeans, and the fact that seed stocks of edible varieties have been increased, more attention will be given to soybeans. More emphasis will be placed on community gardens.

Last year many city people started out with a tiny plot in the backyard. Many of them are now convinced that they can do better in

a community plot where more space is available and the land is better suited to garden crops. In some instances the small plot at home will be used as a "kitchen garden" for growing such vegetables as lettuce, radishes, and onions, while the community plot will be used for the larger, slower growing crops.

Supplies needed by victory gardeners will be more plentiful than a year ago. There is danger of a shortage of only a few seeds; the special Victory Garden fertilizer contains more plant food; more garden tools will be available, and the supply of insecticides promises to be as good as that of a year ago. Gardeners are encouraged to get along with a few simple tools, a hoe, a rake, and a spading fork. Very few wheel cultivators will be available this year, but these are not necessary in small gardens. The War Production Board has authorized manufacturers to make a much larger number of small dusters and sprayers.

PRICE-SUPPORT AND STABILIZATION ACTIVITIES

Support prices for needed crops and classes of livestock are an integral part of the war food program. Generally announced in advance of the time when farmers must plant their crops or plan their livestock production, they assure specified returns and are the farmers' equivalent of the contract prices which cover the operations of producers of guns, ammunitions, ships, tanks, airplanes, clothing, and other war materials. Moreover, the relative levels at which these support prices are established constitute one of the more important devices available to the War Food Administration for encouraging the most desirable pattern of agricultural production.

The chief legislative bases for the support-price program are section 302 of the Agricultural Adjustment Act of 1938, as supplemented by section 8 of the act of October 2, 1942, and the so-called Steagall Amendment, or section 4 (a) of the act approved July 1, 1941, as amended by the act of October 2, 1942.

This legislation requires that the "basic" crops be supported at 90 (or 85 in the case of corn, wheat, and peanuts, upon a finding by the President) percent of parity if marketing quotas have not been disapproved, regardless of whether a support at such level is necessary to obtain needed wartime production. Prices must also be supported at not less than 90 percent of parity for any nonbasic commodity for which it is necessary to encourage a substantial expansion of production.

Since prices generally must be supported at about 90 percent of parity, it is necessary to establish support prices for some of the more urgently needed commodities at levels considerably above parity in order to assure prices attractive enough to obtain the necessary shifts in production.

So far, the Secretary of Agriculture or the War Food Administrator has asked under the Steagall Amendment for an expansion in production of hogs, eggs, chickens (excluding broilers or chickens weighing less than 3 pounds live weight), turkeys, butter, cheese, dry skim milk and evaporated milk, dry peas, dry edible beans, soybeans, flaxseed, peanuts for oil, potatoes, and American-Egyptian cotton. It should also be noted that the War Food Administration is directed to support the prices of these commodities as well as the "basic commodities"—corn, cotton, wheat, rice, tobacco, and peanuts for nuts—at not less than 90 percent of parity for a period extending until 2 years after the January 1 following the date on which the President or the Congress shall have proclaimed hostilities to have ended.

In addition to the commodities for which support prices have been formally proclaimed under the Steagall Amendment or for which loans are specifically required by legislation, support prices or loans have been announced for a number of other commodities, including cottonseed; sweetpotatoes, grain sorghums, barley, vegetables for processing, and a number of processed fruits. Additional support

prices or changes in current support prices are, of course, announced from time to time as needed.

A general support-price program for crops and livestock grown or produced in 1944 has been announced by the War Food Administration. The announced support prices represent the best judgment of the War Food Administration as to minimum or floor prices needed to implement the 1944 production program.

These announced support prices for crops and livestock are summarized in Appendix A.

In general, the support prices for livestock and livestock products extend through December 31, 1944, while the support prices for crops grown and harvested in 1944 extend through June 30, 1945. In the case of hogs, however, support prices have been announced for the period ending March 31, 1945, in order to assure returns from the spring pig crop of 1944.

Support-price programs are carried out through purchase of commodities for military, lend-lease, and other governmental uses, including purchases out of the 30 percent of the tariff revenues appropriated by section 32 of Public Law 320, Seventy-fourth Congress, or through loans, purchases, and other operations conducted by the Commodity Credit Corporation.

The support-price program includes the loans required by the Agricultural Adjustment Act of 1938, as amended by the act approved October 2, 1942, for the basic commodities—corn, wheat, cotton, rice, tobacco, and peanuts. That is, growers can store these basic commodities under nonrecourse loans and in case prices fall below the loan level the Government accepts the stored commodities as full payment for the loan. Similar nonrecourse loans will also be available for soybeans, flaxseed, for most varieties of dry edible peas and dry edible beans, for potatoes and for rye, barley, and grain sorghums grown in 1944.

With respect to hogs, the War Food Administration will purchase federally inspected pork products at prices which will enable slaughterers to pay not less than the designated support price for hogs. In addition, a recent order of the War Food Administration requires all slaughterers operating under Federal inspection to pay prices equal to not less than the support level, and as an additional price-support measure, the Defense Supplies Corporation of the Reconstruction Finance Corporation stands ready to withhold slaughter payments from any slaughterer who purchases hogs below support prices during the period for which such payments are provided.

Purchase programs are also used to support prices for dairy products and eggs, while price-support agreements or contracts between the War Food Administration and dealers or processors will be used to support prices for sugar beets, sugarcane, and such commodities as vegetable seed and hemp. Under the program for supporting dairy prices, the Administration will make open offers to purchase creamery butter, cheese, dry skim milk, and other manufactured products in carload lots, while it is also contemplated that the marketing agreement program now operating in 22 fluid milk markets will be continued. The price-support announcement also pledges the War Food Administration to continue the current direct payments to producers of fluid milk and butterfat or to increase support prices for dairy products

by an equivalent amount. A more extended discussion of the specific methods to be used to support the price of each of the commodities will be found in Appendix A.

The increasing emphasis on the anti-inflation program and on the stabilization of the cost of living has created many problems and resulted in a number of programs designed to assure farmers of the returns necessary to maintain or increase agricultural production, while at the same time stabilizing the cost of food at retail. The War Food Administration was conducting stabilization programs affecting a considerable number of commodities as of December 31, 1943, while similar programs affecting flour, butter, and meat were being operated by the RFC. A summary of each of these stabilization activities, together with an estimate of the cost to the Government of such activities in 1943 or in relation to crops grown in 1943, will be found in Appendix B.

FOREIGN FOOD PROCUREMENT PROGRAM

Before the war the United States obtained a relatively small though important part of its food supplies from abroad (coffee, tea, spices, sugar, bananas, vegetable oils). During the war the objectives of the program have been: (1) To procure such foreign food supplies for domestic use as shipping space would permit being imported; (2) to procure foreign food supplies for other United Nations, in part to relieve the drain on domestic food supplies, and in part as a result of agreements to act in certain countries as sole purchasing agent for the United Nations; and (3) to prevent food supplies being purchased by the Axis Nations.

While a number of Government agencies cooperate in various phases of foreign food procurement, program responsibility for "the procurement and development of food * * * in foreign countries" was centered in the Foreign Economic Administration by Executive Order of the President, October 6, 1943. In the case of importations for domestic use, pursuant to general directives of the War Food Administration, the Foreign Economic Administration coordinates and directs operations abroad—with the exception of food from Canada and sugar from the Caribbean area.

Early in the war certain food products continued to be imported, but shipping was the bottleneck. Now, as the ship sinkings have diminished and additional cargo-carrying vessels are continually being built, the transportation problem has become somewhat easier. Foreign reserves of food commodities which originally existed have since been reduced, the only significant exceptions being the wheat stocks of Canada, Australia, and Argentina. The demand situation, however, is stimulating new production.

At the outset of the war, domestic food stocks were so abundant that emphasis was placed on strategic foreign agricultural commodities used in industry. Certain of the vegetable oils were required as component parts of lubricants or protective coatings essential to the war effort. Food commodities other than those of a tropical or semi-tropical nature, such as coffee, cocoa, and sugar, were allowed to flow into the United States in their normal manner as shipping permitted.

The first approach to the foreign supply and production problem was on a direct commercial basis. If an item was required and was offered for purchase at a price which represented its fair value, and if transportation was available, it was bought.

With the depletion of domestic food supplies and the increase in military and lend-lease demands, the list of commodities under foreign purchase was expanded, in many cases, up to the limit of available shipping space. Various Government-to-Government contracts for

the purchase of the entire exportable surplus of certain commodities were negotiated. Difficulties were occasionally encountered, such as the creation of local shortages resulting from the desire of foreign merchants to make sales regardless of domestic requirements. In some cases, selling monopolies were either formed or contemplated by foreign governments.

When the war in the Pacific cut off important sources of vegetable oils and oil-bearing materials in that area, the United States arranged for increased imports of fats and oils from other parts of the world, and expanded its domestic production of vegetable oilseeds—of soybeans, peanuts, and flaxseed. Despite difficulties of internal transportation in foreign countries where supplies must be carried long distances to the seaboard, and despite the U-boat warfare, the newly arranged imports included large tonnages of linseed, sunflower seed, and rapeseed oil from Argentina; castor-beans and babassu kernels from Brazil; copra and coconut oil from Tahiti, Ceylon, and the Fiji Islands; palm oil from the Belgian Congo; sperm oil from Chile; and tallow from New Zealand.

In 1943 the volume of imports of fats and oils was about two-thirds of the pre-war (1934-38) tonnage, notwithstanding the cessation of imports of copra and coconut oil from the Philippines. The remainder was more than made up by the increased production of fats and oils in the United States. By this time, however, our exports had increased in supplying fats and oils to our allies. The war has changed the United States from a net importer to a net exporter of fats and oils, and this situation will undoubtedly obtain during 1944, though large tonnages will continue to come to the United States from newly established foreign sources of supply.

Other than fats and oils, our principal imports of agricultural commodities include sugar, coffee, cocoa, and tea. Imports of all of these in 1944 will be in the largest possible volume consistent with the availability of shipping space and with our requirements. Imports of sugar in 1944 are expected to set an all-time high record. Stocks of tea and cocoa are large, and it is expected that coffee, which was removed from the list of rationed foods last year as we achieved increasing success against the U-boats, will be imported in the required volume.

Various food-development programs which have been fostered by the United States in South America, West Africa, and other parts of the world during the last 2 years have been disappointing in some instances while in others they are beginning to bear fruit. They are providing increased supplies of legumes and other foodstuffs for areas formerly dependent upon the United States for a large part of their food supply.

The list of foods to be procured from foreign countries in 1944 ranges from fats and oils of all kinds from South America to vanilla beans from Madagascar and Oceania. Feed concentrates from other countries will supplement our own supplies of feedstuffs. Much feed wheat will be imported from Canada this year, as well as the largest possible quantities of protein feed from South America, Australia, and New Zealand.

In addition to the Foreign Economic Administration, other Government agencies which cooperate in the procurement of foreign agricultural commodities include the Department of State, War Production Board, Office of Price Administration, War Shipping Administration, Office of Foreign Agricultural Relations, and the War Food Administration.

FOOD DISTRIBUTION

The use of American food must be systematically planned and controlled if our food supplies are to be shared equitably among the various claimants and if they are to be used most effectively in prosecuting the war. This is being done through three broad programs: Allocations, Government supply, and civilian distribution.

THE ALLOCATION PROGRAM

Allocation of the American food supply is carried out in accordance with the following general policy:

1. American armed forces must be provided all the food they need, when they need it, and where they need it. This means meeting current requirements as well as building up military reserves at home and abroad.
2. American civilians must be provided with an adequate diet, one that at least meets the minimum nutritional requirements formulated by the National Research Council.
3. As far as possible, the demands of our allies and of other groups engaged in the direct war effort must be met.

Broad, long-range allocations of foods to the various claimant groups are, of course, basic to the planning of production as previously outlined. But actual supplies inevitably deviate more or less from those planned. Likewise, the actual requirements of the different user groups change substantially from the rough estimates, made 12 to 18 months in advance, that are used as a basis for the production program.

Accordingly, once every 3 months the War Food Administration estimates prospective supplies of food for the 4 succeeding quarters and allocates these supplies to the various claimant agencies. For the first quarter, the allocations have the status of actual commitments. For the succeeding three quarters, since estimates are less precise and definite, the allocations are tentative.

Table 4 shows the allocations for all important food products, by major claimant agencies, for 1944. Table 5 shows per capita civilian supplies of important foods compared with those of previous years.

TABLE 4.—Summary of allocations for the 1944 calendar year or for the fiscal year, July 1, 1943, to June 30, 1944, in specified units, as indicated

FOR THE 1944 CALENDAR YEAR										
Commodity	Unit	Allocations								
		Total	Contin- gency reserve	United States military and war services	Lend-lease			Other ex- ports and shipments	United States civilians	
					Total	Liberated areas	United Kingdom, Union of Soviet Republics, and minor lend-lease			
Dairy products:										
Butter.....	Million pounds.....	2,046.1	10.0	306.5	102.2	-----	102.2	1,556.0	11.4	
Cheese, American.....	Million pounds.....	797.6	60.0	146.7	214.4	-----	214.4	360.0	16.5	
Cheese, other.....	Million pounds.....	189.5	-----	9.0	1	-----	1	180.0	4	
Evaporated milk.....	Million pounds.....	3,302.2	-----	935.9	370.7	75.0	295.7	1,740.0	85.6	
Condensed milk.....	Million pounds.....	260.0	4.0	3.9	52.6	10.0	42.6	190.7	8.8	
Dried whole milk.....	Million pounds.....	130.0	-----	54.3	28.7	-----	28.7	19.0	28.0	
Dried skim milk.....	Million pounds.....	239.4	-----	24.0	120.9	-----	36.1	80.0	6.5	
Dried skim spray.....	Million pounds.....	252.4	8.0	33.9	130.7	15.0	115.7	78.0	1.8	
Total meats (dressed weight).....	Million pounds.....	25,574	1,142	4,333	2,877	341	2,536	16,998	224	
Beef (dressed weight).....	Million pounds.....	9,680	93	2,425	1,111	31	80	6,955	96	
Veal (dressed weight).....	Million pounds.....	1,299	4	177	14	-----	14	1,099	5	
Lamb and mutton (dressed weight).....	Million pounds.....	1,895	4	170	57	-----	57	1,694	4	
Pork (dressed weight).....	Million pounds.....	13,700	1,041	1,561	2,695	310	2,385	8,234	119	
Eggs:										
Fresh and frozen eggs.....	Million pounds.....	4,092.2	-----	363.4	3	-----	3	3,721.3	7.2	
Dried whole eggs.....	Million pounds.....	297.3	-----	78.4	216.7	-----	216.7	2.2	2.2	
Fats and oils (excluding butter) grand total (fat content):	Million pounds.....	10,095.0	109.7	789.9	1,437.9	179.3	1,258.6	7,546.7	210.8	
Food uses, total (fat content).....	Million pounds.....	6,206.3	109.7	403.4	1,422.5	179.3	1,243.2	4,096.0	174.7	
Lard (fat content).....	Million pounds.....	3,000.9	48.9	99.6	935.4	79.9	855.5	1,793.0	124.0	
Margarine (fat content).....	Million pounds.....	616.3	-----	1.0	132.1	-----	132.1	465.0	17.2	
Shortening and other edible oils (fat content).....	Million pounds.....	2,589.1	60.8	302.8	355.0	99.4	255.6	1,837.0	33.5	
Nonfood uses, total (fat content).....	Million pounds.....	3,888.7	-----	386.5	15.4	-----	15.4	3,450.7	36.1	
Dry edible beans.....	1,000 hundredweight.....	23,027	1,000	3,442	6,217	2,187	4,030	11,500	808	
Dry edible peas.....	1,000 hundredweight.....	6,800	988	3,366	3,366	1,270	2,096	7,500	146	
Rice, milled.....	1,000 hundredweight.....	17,904	1,000	1,217	1,471	268	1,203	7,500	6,716	
Sugar, beet and cane, raw.....	Short tons.....	6,583,919	8,132	1,073,397	200,087	15,532	184,555	5,268,360	33,943	

Beverages:	1,000 pounds	92,700	14,425	828	828	947	76,500
Tea	1,000 pounds	2,615,355	488,549	19,150	19,150	14,558	2,093,400
Coffee, green	1,000 pounds	704,983	174,900	9,118	9,118	12,565	508,400
Cocoa beans	1,000 pounds						
Miscellaneous:	1,000 pounds	248,203	15,030			2,505	228,768
Compressed yeast	1,000 pounds	12,932	8,490	3,878	3,878	144	420
Dry active yeast	1,000 pounds	11,448		2,448	2,448		8,000
Nutritional yeast	1,000 pounds		1,000				
Vitamin A, total	Billion U. S. P. units	2,138,835	5,073	17,822		2,000	87,940
Pharmaceutical	Billion U. S. P. units	48,169	5,073	3,096			40,000
Bulk	Billion U. S. P. units	16,726				2,000	
Food enrichment, United States civil- ians	Billion U. S. P. units	40,000					40,000
Food enrichment, total	Billion U. S. P. units	7,940					7,940

FOR THE FISCAL YEAR JULY 1, 1943, TO JUNE 30, 1944

Canned vegetables, total	1,000 cases No. 2's	271,934	14,819	56,268	7,621	2,255	190,971
Under FDO 22.4	1,000 cases No. 2's	201,953	13,642	49,705	3,190	1,231	134,185
Not under FDO 22.4	1,000 cases No. 2's	69,981	1,177	6,563	4,431	1,024	56,786
Dehydrated vegetables, total dehydrated weight	1,000 pounds	210,636	7,769	126,161	68,551	65	8,100
Potatoes, total (dehydrated weight)	1,000 pounds	115,490		78,980	36,401	30	
Julienne or diced (dehydrated weight)	1,000 pounds	59,312		59,312			
Shredded (dehydrated weight)	1,000 pounds	18,688		18,688			
Not specified (dehydrated weight)	1,000 pounds	37,420		1,989	35,401	30	
Sweet potatoes (dehydrated weight)	1,000 pounds	22,000	2,038	19,362	600		
Onions, total (dehydrated weight)	1,000 pounds	13,596		7,150	4,311	35	2,100
Chips (dehydrated weight)	1,000 pounds	6,875		6,144	731		
Powdered (dehydrated weight)	1,000 pounds	2,537		767	1,735	35	
Not specified (dehydrated weight)	1,000 pounds	4,184		239	1,845		2,100
Tomato flakes (dehydrated weight)	1,000 pounds	5,925		46	5,879		
Tomato juice cocktail (dehydrated weight)	1,000 pounds	750					
Beets (dehydrated weight)	1,000 pounds	6,000		4,349	1,651		
Cabbage (dehydrated weight)	1,000 pounds	8,142		5,927	2,215		
Carrots (dehydrated weight)	1,000 pounds	32,000	5,612	7,353	13,035		6,000
Celery (dehydrated weight)	1,000 pounds	1,130			1,130		
Rutabagas (dehydrated weight)	1,000 pounds	4,997		1,235	1,762		
Green (dehydrated weight)	1,000 pounds	1,500	109		1,391	71	
Garlic (dehydrated weight)	1,000 pounds	111,480		32,889	2,176	2,000	
Dehydrated soups, total (dehydrated weight)	1,000 pounds	401.3		40.5	27,466	1,125	50,000
Potatoes, fresh (farm weight)	Million bushels	67,150.0		3,360.0		191.0	356.3
Sweet potatoes, fresh (farm weight)	1,000 pounds	1,565,000		245,735	4,538	58,549	1,256,178
Dry onions	1,000 pounds						

See footnotes at end of table.

TABLE 4.—Summary of allocations for the 1944 calendar year or for the fiscal year, July 1, 1943, to June 30, 1944, in specified units as indicated—Continued

Commodity	Unit	Allocations						
		Total	Contin- gency reserve	United States military and war services	Lend-lease			Other ex- States and shipments civilians
					Total	Liberated areas	United Kingdom, Union of Soviet Socialist Republics, and minor lend-lease	
Frozen vegetables, total (frozen weight)	1,000 pounds	233,000		74,053			1,089	157,858
Beans, snap (frozen weight)	1,000 pounds	28,000		9,087				18,746
Beans, lima (frozen weight)	1,000 pounds	24,500		12,938			57	11,505
Corn kernels (frozen weight)	1,000 pounds	22,000		12,032				9,840
Peas (frozen weight)	1,000 pounds	75,000		22,956			337	51,707
Spinach (frozen weight)	1,000 pounds	30,000		10,880			170	18,950
Asparagus (frozen weight)	1,000 pounds	11,000		2,696			49	8,255
Broccoli (frozen weight)	1,000 pounds	10,000		679			56	9,265
Brussels sprouts (frozen weight)	1,000 pounds	9,000		180			54	8,766
Cauliflower (frozen weight)	1,000 pounds	5,000		212			30	4,758
Corn on cob (frozen weight)	1,000 pounds	1,500					4	1,496
Other minor vegetables (frozen weight)	1,000 pounds	17,000		2,343			87	14,570
Canned fruit and fruit juices (other than citrus), total	1,000 equivalent	61,428.0	4,792.2	18,575.8	2,015.3	2,015.3	690.3	35,354.4
Under FDO 22.4 ^{3a} .	1,000 cases of	50,693.0						
Not under FDO 22.4.	1,000 24 2 1/2's	10,735.0	4,057.2	17,806.4	1,973.2	1,973.2	469.8	26,386.4
Citrus fruit, total (farm weight)	Million pounds	13,634	735.0	769.4	42.1	42.1	220.5	8,968.0
Fresh (farm weight)	Million pounds	9,218		1,925	715	715	628	9,766
Canned (farm weight)	Million pounds	2,573		856	2	2	477	7,853
Concentrates (farm weight)	Million pounds	1,023		960	2	2	108	1,503
Dehydrated (farm weight)	Million pounds	58		41	703	703	43	236
Marmalades (farm weight)	Million pounds	49		38				
Citric acid (farm weight)	Million pounds	106		10	1	1	neg.	38
Citrus squash (farm weight)	Million pounds	7						106
Apples, total (farm weight)	1,000 pounds	4,423,400	275,518	753,070	7	7	22,341	3,230,370
Fresh (farm weight)	1,000 pounds	2,840,608		453,067	1,060	1,060	15,862	2,374,619
Canned (farm weight)	1,000 pounds	387,091	72,126	117,814	969	969	4,863	191,319
Apple butter (farm weight)	1,000 pounds	72,162		2,198			153	69,811
Dried (farm weight)	1,000 pounds	401,600	203,392	59,728	138,080	138,080	400	

FOOD PROGRAM FOR 1944

	1,000 pounds	78, 230	1, 700	21, 815
Dehydrated (farm weight).....				
Frozen (farm weight).....	1,000 pounds	22, 000	21, 662	97, 660
Jellies (farm weight).....	1,000 pounds	121, 522	1, 700	355, 246
Vinegar (farm weight).....	1,000 pounds	371, 187	292	120, 000
Cider (farm weight).....	1,000 pounds	1,200, 000		140, 000
Dried fruit, total * (processed weight).....				115, 000
Raisins (processed weight).....	Short tons	62, 570	143, 262	36, 849
Prunes (processed weight).....	300, 200	27, 402	80, 758	282, 922
Pears (processed weight).....	223, 800	14, 166	40, 285	140, 000
Peaches (processed weight).....	Short tons	3, 100	1, 905	115, 000
Figs (processed weight).....	Short tons	8, 737	9, 110	425
Apples (processed weight).....	Short tons	27, 000	8, 830	1, 075
Dates (processed weight).....	Short tons	8, 100	5, 323	2, 538
Oranberries (farm weight).....	Short tons	23, 100	8, 630	24
Jams, jellies, etc., total excluding pectin (processed weight).....	Short tons	12, 265	66	71
Jams (processed weight).....	1,000 pounds	72, 500	13, 595	6, 558
Jellies (processed weight).....	1,000 pounds	598, 428	159, 552	414, 230
Marmalade (processed weight).....	1,000 pounds	160, 000	86, 822	55, 911
Pectin (processed weight).....	1,000 pounds	249, 121	44, 406	200, 000
Apple butter (processed weight).....	1,000 pounds	139, 299	26, 801	110, 000
Vegetable seeds, total.....	1,000 pounds	50, 008	1, 523	48, 379
Field seeds, total.....	1,000 pounds	6, 279	592	3, 345
Legumes, total.....	1,000 pounds	391, 443	13, 376	273, 252
Alfalfa.....	1,000 pounds	1, 430, 672	4, 639	1, 372, 944
Clover, total.....	1,000 pounds	367, 460	1, 347	352, 742
Lespedeza, total.....	1,000 pounds	51, 725	62	51, 432
Vetch.....	1,000 pounds	118, 335	6	114, 639
Grasses, total.....	1,000 pounds	130, 752	3, 309	129, 574
Miscellaneous, total.....	1,000 pounds	66, 648	2, 681	57, 047
Hops *.....	1,000 pounds	213, 427	9, 511	190, 317
Fish, canned.....	1,000 pounds	849, 785	3, 292	829, 885
Fish, fresh, frozen, and shellfish (edible weight).....	Million pounds	42, 0	2, 756	34, 0
Fish, cured.....	1,000 pounds	727, 775	151, 973	332, 082
Cod and other ground fish (dry salt basis).....	1,000 pounds	660, 0	151, 973	27, 031
Other cured fish (cured weight).....	Million pounds	32, 0	1, 6	12, 1
	Million pounds	98, 3	1, 1	87, 0

Includes 140,000 tons estimated noncivilian provisional use for preserves and canned fruits and vegetables.

² Includes requirements for all food enriched in United States for all claimants.

³ This total exceeds the sum of the pharmaceutical, bulk, feed enrichment, and food enrichment totals by the amount of the contingency reserve which is for all uses.

32a Fixes quantities which canners of canned vegetables, canned fruits, and fruit juices must set aside of their 1943 pack for Government requirements.

⁴ Sept. 1, 1943, to Aug. 31, 1944.

Allocation to United States brewing industry.

TABLE 5.—*Estimated civilian per capita consumption, average 1935-39, 1943, and indicated 1944*

Commodity	1935-39	1943	1944 ¹
Meats ²pounds.....	126.0	131.0	132.0
Dry beans.....do.....	8.9	8.7	8.7
Dry peas (estimated, cleaned basis).....do.....	.5	1.6	1.6
Tea.....do.....	.7	.5	.6
Cocoa.....do.....	4.4	3.5	4.0
Coffee.....do.....	14.1	11.5	16.0
Rice (milled).....do.....	6.2	5.9	5.9
Wheat.....do.....	222.8	224.3	229.0
Eggs.....number.....	300.0	345.0	349.0
Chicken (dressed weight).....pounds.....	18.0	28.4	26.0
Fish.....do.....	12.5	8.7	8.7
Fresh fruit.....do.....	³ 152.1	117.0	138.0
Canned fruit.....do.....	15.0	10.6	7.4
Fresh vegetables.....do.....	236.2	229.0	223.0
Canned vegetables.....do.....	31.2	33.4	30.0
Fluid milk and cream.....do.....	342.3	405.0	401.0
Butter.....do.....	16.8	12.4	12.0
Cheese (all).....do.....	5.6	5.1	4.2
Evaporated milk.....do.....	16.8	19.7	15.0

¹ Preliminary indications, as published in the National Food Situation for January 1944.

² Dressed weight, total beef, veal, pork, and lamb and mutton.

³ Includes noncommercial apples, excluded in later years.

While, as previously mentioned, Government procurements will account for about one-fourth of United States total food production in 1944, percentage allocations of individual commodities vary widely. All the dried eggs, for example, have been allocated for military use or export, substantially all of the dehydrated vegetables, more than half of the dried fruit and dehydrated soups, and nearly half of the canned fruits and juices, excluding citrus; likewise nearly half of the dry beans, nearly two-thirds of the dry peas, and about half of the rice to be milled. Civilians are getting about three-fourths of the butter supply (fig. 2), which represents about one-fourth less butter than the 1935-39 average. The armed forces, lend-lease, and other exports have been allocated the larger share of the dried milk, about half of the evaporated milk, and nearly half of the cheese.

On the other hand, civilian fluid-milk consumption in this country has increased steadily throughout the war, and the present program calls for stabilizing this consumption at the level of last June. As for meats, the war programs call for about one-third of the pork, lamb, and mutton to be produced in the allocation period, about one-fourth of the beef and one-fifth of the veal. This averages 30 percent of total allocable supplies of these meats. It still leaves civilians with about 4 percent more meat than in 1935-39, and about the same as in 1943. Civilians should also have as many eggs in 1944 as in 1943, and decreased supplies of some fruits should be offset by the larger supplies of citrus fruit which are in prospect.

Broadly, it is the policy of the War Food Administration to attach first priority to the requirements for the armed forces, second to the essential needs for United States civilians, and third to the requests from our allies. Account is taken, however, of the special needs of each group for particular commodities in particular forms and of the relative possibilities for making substitutions or otherwise adjusting allocations to the actual supply situation.

The allocation of each commodity must be worked out in the light of the special conditions affecting that commodity and the commodi-

WHERE IS OUR BUTTER GOING ?

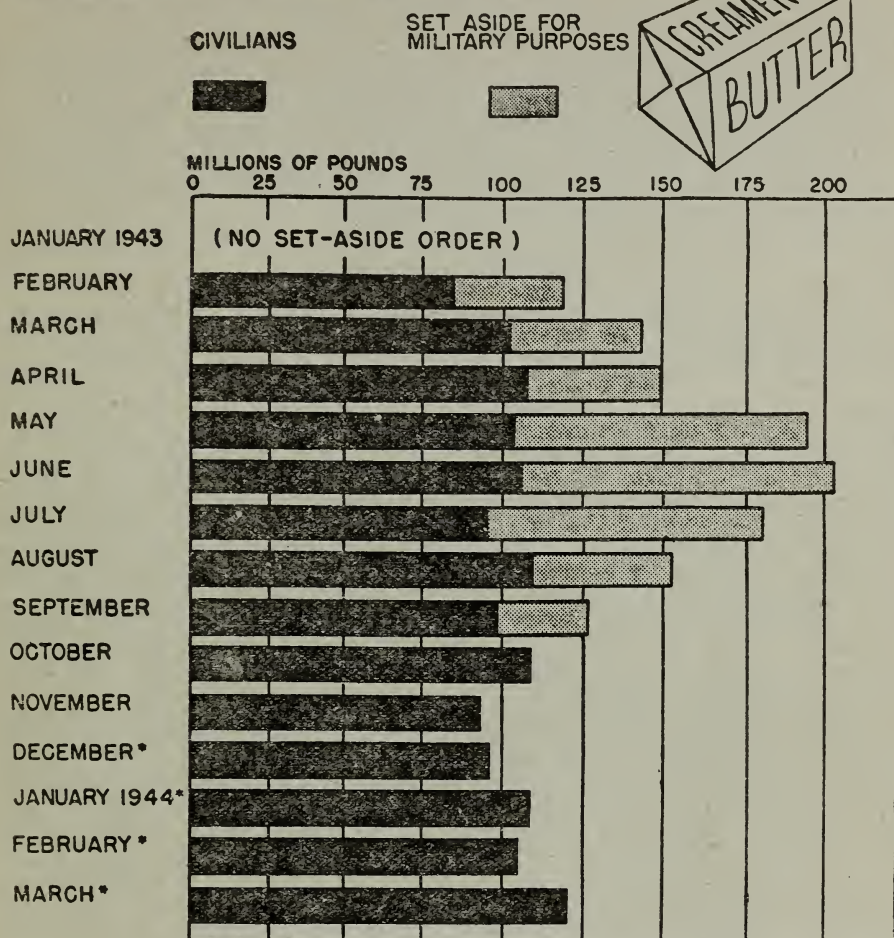


FIGURE 2.—Distribution of butter produced in the United States. Asterisks indicate tentative estimates of creamery butter production subject to change.

ties related to it. No particular difficulties have been encountered in working out allocations that are acceptable to all claimants.

GOVERNMENT SUPPLY PROGRAM

In making the allocations effective, the War Food Administration is responsible for assuring to the several claimants the supplies that have been promised them. This involves not only the actual procurement of foods for many of the claimants but also the control of processing and distribution to conserve supplies and divert the proper amounts into channels that can be drawn upon as needed.

To coordinate the huge procurement operations of the Government and to prevent competition between agencies, arrangements have been made whereby substantially all of the purchases are made either by the Army or by the War Food Administration. These agencies then transfer supplies to other agencies as needed. The Army and WFA confer closely on the planning and scheduling of purchases and the handling of stocks.

The magnitude and complexity of this problem are illustrated by the fact that the War Food Administration is daily buying some 8 million dollars' worth of more than 300 different commodities to supply 40 individual programs. The current schedule of commodities lists over 1,500 separate items, counting different sizes and packs.

Obviously it is not possible to manage a procurement program of this magnitude simply on the basis of accepting offers for the various commodities as and when they are needed. Measures are required to make sure that the needed foods are obtained.

CONTROL OF SUPPLIES

Most of the measures used are embodied in food-distribution orders. The most direct method is the set-aside order requiring handlers or processors of a commodity to reserve a certain percentage of their volume for Government purchase or for manufacture into commodities needed by the Government. Another method is to restrict commercial sales, usually to quotas set at certain percentages of base-period volume. Sales to Government agencies are then exempted from the quota restrictions. Similar restrictions are imposed on particular uses of certain foods in order to divert them into the manufacture of more essential products. In some cases certain nonessential uses are prohibited entirely. For some commodities in critically short supply, even closer control is provided by requiring processors or handlers to obtain permits or specific authorizations for the purchase, sale, or utilization of them.

Some commodities are subject to variations or combinations of these types of orders or to different types at different stages of processing and marketing. In a rough way, however, the following list lumps together the commodities under regulation according to the chief types of control to which they are subjected. (Listed here are only the cases where Government procurement is, directly or indirectly, a primary objective; commodities regulated primarily for the control of civilian distribution are discussed under that heading.)

1. **Set-asides.**—Cheese, butter (no set-aside required from October 1943 until April 1944), and dry skim milk; meat (currently only beef) and canned fish and shellfish; canned fruits, vegetables, and juices; apples; dried fruits; dehydrated vegetables; rice; dry edible beans; and fish oils. Set-asides on dried eggs, citrus concentrates and citrus fruits for processing, lard, and certain vegetable oils have been dropped.

2. **Limitations.**—Frozen dairy foods; raisin grapes, peaches, pears, apples, and Texas grapefruit (diversion from fresh sale); production and sale of citrus juices and concentrates; sale of sauerkraut; shipment of dry onions; and processing and distribution of fats and oils (except butter and certain minor types) generally, and certain oils individually. Inventory controls on various rationed commodities and on corn, and restrictions on use of frozen and shell eggs, shipment of potatoes, and sale of turkeys have been discontinued. Restrictions have also been placed on certain uses of cold-storage space.

3. **Specific allocations.**—Most animal and vegetable fats and oils, domestic and imported, and raw sugar.

MANAGEMENT OF RESERVES AND TIMING OF PROCUREMENT

The magnitude of Government procurement operations and the long-range nature of the Army supply program obviously require maintenance of sizable operating inventories. In addition, the uncertainties of various requirements, such as the irregular availability of shipping space and the indefinitely anticipated needs for feeding occupied territories, require contingency reserves of foods to provide for special needs that may arise.

Especially for certain staple commodities like dry peas, dehydrated vegetables, dried fruits, and canned fish, general contingency reserves represent substantial percentages of the allocable supplies. These general reserves are actually purchased by the Government only when necessary to assure their availability. They are over and above specific operating reserves provided for in allocations to the individual agencies.

Finally, in periods of heavy supply, certain commodities are deliberately bought in excess of current requirements in order to minimize the impact of Government purchases on civilian supply. For example, the War Food Administration and the Army have jointly undertaken to concentrate their purchases of meat, dairy products, and many other foods in the season of heavy production, in order to reduce purchases or to stay out of the market entirely in the season when supplies are light. This permits most or all the short-season production to go directly into civilian channels.

For certain commodities, this policy of seasonal procurement is implemented through the food orders. For example, the percentage of butter production required to be set aside varies from month to month, and drops to zero for the winter slack season. Government stocks accumulated during the season of heavy production serve to meet requirements through the winter. Supplies thus made available for civilian use are comparatively uniform throughout the year.

Civilians who are struggling to stretch their ration points and who are finding stores to be running low on many favorite foods, are naturally concerned about the size of Government food stocks. Similar concern is seldom expressed about Government inventories of ammunition and ordnance, since civilian demand is not competing for these lethal commodities. Nevertheless, the public's concern over Government management of the foods it has, so to speak, taken from the shelves of the grocery store and placed in storage, is very real and is entitled to an explanation.

By far the largest part of the food in storage at present is commercially owned for civilian distribution, and reflects a very favorable situation for civilians in view of the fact that winter is the most critical season. A much smaller part of present food storage stocks is held by the War Food Administration for filling various non-military war requirements and for emergency needs of our armed forces. Stocks owned by the military forces are based on definitely foreseen military needs. Their size and composition cannot be revealed for security reasons, but the War Food Administration does not consider them excessive in view of the unusual and large-scale logistics problems with which the services are faced.

On December 1, 1943, this was the War Food Administration's inventory of its major holdings:

Frozen meats.—9½ million pounds, the equivalent of 3 days' shipments during December.

Canned meats.—246 million pounds, enough to last until February 15 at present rate of shipment.

Cured meats.—23 million pounds, less than 9 percent of total commercial storage holdings.

Butter.—108 million pounds. This includes butter held for the Army and for other agencies.

Cheese.—97 million pounds, a 2 months' supply as compared with the December shipment rate. Cheese procurement is scheduled in much the same way as butter purchasing.

Evaporated milk.—5 million cases, about a 3 months' supply on the basis of past shipments.

Canned fruits and vegetables.—9 million cases, a 7 months' supply on the basis of past shipments. These commodities are packed only once a year, after harvest, and a full year's supply must be set aside as soon as the pack is completed.

Shell eggs.—137,000 cases, 8 percent of total holdings.

Dried eggs.—40 million pounds, a 50 days' supply as indicated by December shipments.

Dried beans.—220 million pounds, about a 4 months' supply at the December rate. This stock must last until the new crop is harvested.

These stock are the lowest reserves compatible with good management of the enormous commitments that must be met and the necessity for providing against various military contingencies and possible crop shortages. War Food Administration stocks will be and frequently are employed to fill emergency civilian needs whenever and wherever occasion arises.

Careful watch is maintained on all stocks to avoid spoilage, and the oldest stocks are drawn on for current needs, as far as possible. Inspectors make frequent checks and the entire stock position is reviewed at least once every 10 days. Since the beginning of the lend-lease program, in March 1941, to December 1, 1943, War Food Administration losses due to spoilage have amounted to two-hundredths of 1 percent of total purchase.

As soon as it is determined that stocks of a particular commodity are larger than necessary, the excess is turned back through trade channels for civilian use. Furthermore, coordination of the procurement and stocks of the various Government agencies has made possible the substantial pooling of reserves, avoidance of duplication, and reduction of the strain on storage facilities.

Government and industry are working together on plans for disposing of stocks in the immediate post-war period, to avoid "dumping," or to avoid depressing the markets.

SPECIAL WAR PRODUCTS

The special nature of military and other direct war requirements has necessitated great expansion in production of various processed or packaged food products, particularly highly concentrated foods that provide a maximum amount of vital nutrients in a minimum of space. War Food Administration has therefore encouraged marked expansion and, in some cases, virtual creation of industries for the manufacture of dehydrated foods, canned meats, various

enriched or reinforced food products, citrus concentrates, and vitamin preparations. Table 6 lists the yearly expansion in production of some of these special wartime foods since 1940, along with the expected production for 1944. Prewar production of powdered whole milk and canned meat has already been multiplied by 4, production of dehydrated eggs by nearly 40. The dehydration of pork and most vegetables and the manufacture of soya flour represent, practically speaking, entirely new industries.

For most of these industries, no further expansion of productive capacity is called for. In most cases where 1944 production is planned to exceed 1943, capacity has already been built up sufficiently to take care of the increase. Allocation of equipment has definitely been made, however, for additional milk-drying plants (140 roller and 33 spray dryers) to be built in the 12 months beginning October 1, 1943, in areas where skim milk is not now being used for human consumption.

TABLE 6.—Increase in production of certain processed foods in 1940–44

Product	Unit	United States production		
		1940	1943, estimated	1944, expected
Edible dry skim milk.....	1,000 pounds.....	321,843	456,000	525,000
Powdered whole milk.....	1,000 pounds.....	29,409	124,000	130,000
Dehydrated eggs.....	1,000 pounds.....	7,487	260,000	295,000
Dehydrated vegetables.....	1,000 pounds.....	16,000	115,000	1200,000
Dehydrated pork ²	1,000 pounds.....		18,850	36,000
Canned meat ³	1,000 pounds.....	530,232	2,051,196	2,250,000
Edible soya products (flour, flakes, grits).....	Million pounds.....		700	1,000
Citrus concentrates ⁴	1,000 gallons.....	1,300	6,100	44,100

¹ Estimated.

² Includes small quantities of other dehydrated meats.

³ Federally inspected only.

⁴ Crop years as follows: 1937–41 average; 1942–43; 1943–44.

Further saving in shipping is being made possible through the development of new methods of compressing foods—even dehydrated foods—to reduce their bulk. In addition, new packages have been developed to meet special requirements for shipment, storage, and utilization of military and export foods.

TRADE RELATIONSHIPS

To utilize the experience of industry in the food management program, the War Food Administration has set up some 82 Industry Advisory Committees. These committees assist officials of the War Food Administration in solving the joint problems that Government and industry face in the war food program. They are most helpful in working out the sorts of regulatory controls that will achieve the ends desired without placing unnecessary burdens on the industries affected. They likewise cooperate closely in educating members of their industries as to the purpose, meaning, and necessity of the food orders and convey suggestions from the trade for amendments or improvements in the orders. Arrangements have been worked out with the War Production Board and the Office of Price Administration whereby the same industry advisors serve all three agencies.

Another recent development is the establishment of commodity boards. The War Meat Board, the first group of this kind to be set up, has already facilitated procurement operations. Through it, representatives of the meat-packing industry meet with officials of WFA, the Quartermaster General's Office, and the Rationing and Price Divisions of OPA to advise them in making decisions on war meat programs. Three procurement boards are now in operation, covering poultry and eggs, dairy products, and vegetables, all as sub-committees of the Inter-Agency Food Procurement Committee.

In administering the food orders, it is the policy of WFA to make compliance the chief objective. A program of food order education has been started. The assistance of trade associations and of the food-industry advisory committees is enlisted in getting information about the orders to everyone concerned. Meetings are held with State and local trade groups to discuss the aims and purposes of the orders and the methods of carrying out their provisions locally.

Where violations are discovered, every effort is made to obtain the cooperation of the violator in correcting the situation. Actual administrative sanctions or prosecutions are undertaken only in the case of persistent or serious violations of the orders.

While it is anticipated that more food distribution orders will have to be issued to meet changing supply conditions and needs, it is the policy of the War Food Administration to continue food orders in operation only as long as they are necessary and to modify, suspend, or terminate them as rapidly as conditions justify.

The termination of restrictions on shell eggs and potatoes has been mentioned. The quotas that were imposed on slaughtering of livestock in order to control meat supplies have also been suspended experimentally in anticipation that the rationing program alone will provide the needed control.

General improvement in the fats and oils situation makes it appear likely that the very close controls that have been in operation on these commodities can gradually be relaxed; the first step in this direction was suspension on October 1, 1943, of restrictions on delivery to refiners of crude cottonseed, peanut, and corn oils. In numerous other instances minor adjustments have been made in regulatory controls in order to simplify them, to adapt them better to the purposes for which they are intended, and to reduce the burdens they impose on the industry.

CIVILIAN DISTRIBUTION

American food production has been pushed to new heights in each of the last 4 years to meet wartime needs. The extent of the increase has been enough to fill the requirements of our armed forces and to meet other war needs without reducing the civilian pre-war supply. But increased incomes, particularly in the lower brackets, have stepped up consumer buying power while the lid has been held on prices and created a pressure of demand which, if uncontrolled, would absorb the increase in food production and leave military and other strategic needs unfilled.

Civilians are receiving, under the allocations system, a smaller total supply of food than they would like to buy, although it is slightly more than they received before the war (fig. 3). The proportion of

civilian supply to demand is not, however, the same for any two commodities. Some commodities, such as most of the dehydrated foods, never reach civilian consumers in America; military and export needs take about all we can produce. Meats, dairy products, and canned goods are examples of foods that consumers demand in far greater quantities than can be supplied. Potatoes and cereals, on the other hand, are examples of foods that are abundant.

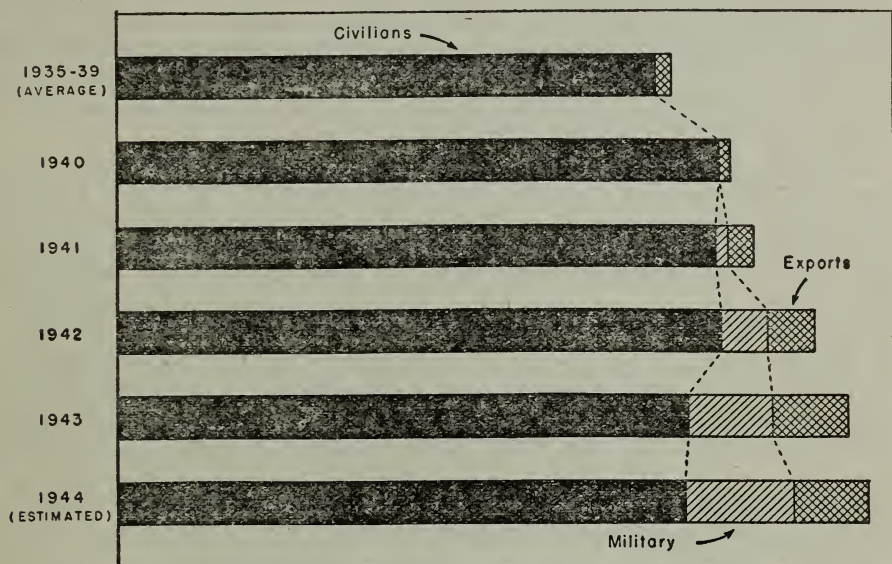


FIGURE 3.—Distribution of the United States food supply, 1935 to 1944. Civilians have been getting slightly more food than they received before the war despite our increasing military and export needs.

The first of these categories of food, of course, requires no special control over civilian distribution. The second, the category in which demand exceeds supply, requires rationing of one kind or another, both to insure everyone his fair share of the total and to insure conservation of the supply from season to season. Rationing may be employed only in the earlier stages of marketing or it may be extended to the ultimate consumer. The third category, foods in ample supply, require no control except as speculation, a delayed crop, or other influences may interfere with orderly distribution.

Since controlled prices reduce the sensitivity of markets and since other factors, such as manpower shortages and transport difficulties, have tended to diminish competition for trade, even the most abundant foods sometimes require special measures to direct their flow into different areas and different uses and to assure storage of adequate amounts to tide over seasons of little or no production.

RATIONING

For essential foods or groups of foods that are required in roughly equivalent amounts by all consumers, and the supply of which can be reasonably well controlled, rationing is unquestionably the most satisfactory method of orderly distribution under price ceilings. Indi-

vidual consumer rationing is now in effect on beef, veal, pork, lamb, mutton, canned meats, and canned fish; cheese, canned milk, and butter; margarine, lard, and salad and cooking fats and oils; canned fruits and vegetables, including canned infant foods and soups, and canned juices; certain frozen fruits, frozen vegetables, and dried fruits; preserves, jams, and jellies; and sugar.

The need for rationing, and its time and extent, are determined by the War Food Administration, while actual administration of rationing is the responsibility of the Office of Price Administration. WFA informs that Office periodically of the quantities of foods available for civilian consumption and consults with it on the allocation of these foods among different civilian uses and on the adjustments needed in permitted levels of consumption.

Some commodities in tight supply have not been rationed. To do so would necessitate a great many adjustments on the part of both consumers and the trade and would be administratively expensive and complex. Instead, other distribution controls have been employed. However, even for these commodities a plan for rationing has been developed and is ready for immediate use in case the need should arise.

Fluid milk is a case in point. Because of the perishability of fresh milk and the wide differences in consumption and production by regions, it would be difficult to ration milk on a uniform coupon basis throughout the country. Yet, because milk is needed urgently for many manufactured dairy products, it became necessary this past fall to check the steadily rising consumption of fluid milk. A curb on sales at the dealer level was imposed in most large cities, and in this way it was possible to forestall consumer rationing.

In mid-January 1944 this control program was operating in 112 large markets. Dealers in these cities may sell as much fluid milk as was sold in June and 75 percent as much cream and milk by-products. They may sell their quota of milk to whomever they please but are urged to see that needs of such groups as children, nursing and expectant mothers, and invalids are met first. If dealers and consumers cooperate, this system of distribution control may hold total consumption within bounds and at the same time operate equitably among consumer groups.

Nonessential foods or those purchased infrequently which are in short supply—such as spices—are difficult to ration at the consumer level, and uniform per capita distribution of these foods would hardly justify the administrative burden of such a program. Finally, for commodities that are produced and sold locally in most parts of the country, the difficulty of controlling supplies might well make rationing almost impossible to administer effectively.

A number of commodities are rationed within the trade, though not to ultimate consumers. Processors, dealers, or other handlers are limited to a certain volume, usually by means of quotas based on percentages of business in a base period, in order to assure all regular trade channels their proportionate share of supplies. In some cases, nonessential uses of the commodities are restricted or prohibited. With basic distribution thus controlled, responsibility for equitable distribution to ultimate consumers is left to the trade.

Trade rationing is applied to several imports (tea, cocoa beans, certain spices, and salt fish), edible molasses, rice, certain tobaccos, and

to fluid milk, cream, and milk byproducts, in the larger marketing areas, as described above. Restrictions have been imposed on certain uses of cocoa beans, honey, figs, apples, Concord grapes, and walnuts; on the composition of soap; on the sale of heavy cream; on the use of milk solids in ice cream and other frozen dairy foods; on the use of most fruits for alcoholic products; on the use of malted grains, malt sirup, and rice for brewing; and on the distribution of oil of peppermint.

The War Food Administration hopes to continue to assure civilians of a number of basic commodities in quantities so large that they will saturate markets and will not have to be rationed.

FURTHER CONTROL OF CIVILIAN DISTRIBUTION

In some cases rationing or alternative controls are insufficient to achieve the most desirable distribution of foods among the different regions of the country. This is in part owing to the inflexibility of regulated prices and in part to the slowness of the trade in adjusting to changing conditions.

Foods tend to stay closer to home and to move in less than normal proportions from surplus- to deficit-producing areas. Even under rationing, meats and butter, for example, have been short in coastal areas when supplies were fully adequate in midwestern producing areas. Centers of war activity where population has grown rapidly have had particular difficulty in getting sufficient food.

Some outlying communities have been left virtually without certain foods as a result of wholesalers' contracting their delivery areas because of (1) trucking restrictions and (2) the greater profits in markets closer by. Some hospitals and other institutional buyers have had difficulties because their practice of purchase on the basis of bids leaves them with no established sources of supply of which they can claim to be regular customers.

In rationed commodities, responsibility for distribution problems of this kind rests with the Office of Price Administration. But OPA and WFA work together informally in dealing with such problems. In nonrationed commodities, full responsibility rests in the WFA.

So far, the WFA has confined itself chiefly to dealing with problems of this sort locally and specifically as they have arisen. The cooperation of trade groups is requested in specific instances to alleviate difficulties—through increasing shipments into certain areas or communities, for example, or through accepting the accounts of buyers unable to find sources of supply. Though priorities have been authorized to help hospitals obtain needed food, their use has so far not been found necessary. Figures on population changes as indicated by ration-book registrations are regularly distributed among the trade to guide them in making adjustments.

A special distribution problem has arisen in areas where population has grown so rapidly as to overburden existing food distribution facilities, especially retail stores. Opening up of new stores in such areas has lagged because of difficulties in getting food supplies, fear that the expansion of markets will be only temporary, and alternative opportunities for making money that are more attractive than distributing food under controlled margins. Some assistance has been given the trade in such areas in obtaining sources of supply for new outlets

and in presenting to local manpower boards the need for declaring retailing an essential field of employment. This assistance will continue to be given in 1944.

A program under consideration would provide for authorizing the release of Government-controlled food (set-aside or other restricted stocks) to meet emergency shortage situations, to assure supplies to certain preferred groups (hospitals, schools, industrial feeding projects, etc.,) and to promote better equalization of food supplies between areas.

The direct opposite of local shortage problems are the temporary and local surpluses which continue to occur whenever and wherever demand and supply fail to coincide. Biggest excess problem of 1943 was the intermediate potato crop in the Carolinas and Virginia, although a flurry of local and regional tie-ups in the movement of various truck crops occurred in the late summer and fall. Usually these problems are not "surpluses" in the pre-war sense but are the result of lack of incentives on the part of the trade or of consumers that would ordinarily speed the movement of such abundant supplies. They are partly traceable to the price-support guarantees of the War Food Administration which are an integral part of the production-expansion program. On an uncontrolled market, these excessive supplies would move but at prices disastrous to the producer.

The surplus-removal machinery of pre-war years is still available and may be employed to a limited extent in relieving these problems. However, as real surpluses have virtually ceased to exist, the programs for disposing of supplies purchased merely to relieve market congestion have been virtually dismantled (direct distribution of food to relief clients, donations of food to school-lunch programs, and so on). The only avenues of disposition of such purchases at present are to have them processed and later transferred to other programs, to donate them to eleemosynary institutions, and various minor uses.

Consumer demand is so great that, properly focused and given minimum incentive, it will take up most of these supplies, however large, that occasionally jam the market place. Effort to direct the force of consumer demand on the more abundant foods (and, at the same time away from scarcer commodities) takes two parallel courses. A straight-forward appeal to the trade to promote, through advertising, store display, and other merchandising methods, the sale of the abundant commodities is accompanied by efforts to obtain trade cooperation in reducing price or offering other consumer inducements. Simultaneously, an intensive program to direct consumer attention to the same foods is carried on in cooperation with press, radio, and other media of information and with food advisers in all fields.

SPECIAL FOOD NEEDS

Another distribution problem is that of adjusting or supplementing rationing to provide for special needs of certain groups—for example, workers in heavy industry. Complaint is frequently made that the ration allowance of certain food groups, especially meat, is inadequate for such workers, and additional ration points for meat have been allowed workers in certain more strenuous occupations. The Office of Price Administration has taken the position, however,

in which the War Food Administration concurs, that the distribution of extra ration points is undesirable and should be avoided wherever possible. A better solution of the problem of industrial workers is to assure them the opportunity to buy a substantial, nourishing midshift meal.

To carry out a program for this purpose, an Inter-Agency Committee on Food for Workers has been formed under War Food Administration leadership. It includes representatives of the War Production Board, Office of Price Administration, War Manpower Commission, United States Public Health Service, Federal Works Agency, War and Navy Departments, and the Maritime Commission. Surveys are made of the adequacy of feeding facilities for industrial workers and of the needs for additional facilities. Educational and advisory work is being carried on with management and labor groups in industry, and active assistance is given plants interested in the establishment of facilities. Such assistance includes help in planning installation and operation of in-plant food services; in getting priorities for and obtaining necessary materials, equipment and supplies; in recruitment and training of employees; and in obtaining food supplies. Where necessary, financial assistance in establishing facilities is extended by use of Lanham Act funds. In addition, nutritional education is carried on in war plants and closely integrated with in-plant food-service operations.

Before Pearl Harbor, on-the-job feeding services were available to less than 20 percent of the Nation's industrial workers. At present the total is 33 percent—6,500,000 workers, and the 1944 goal is 60 percent. The special needs of infants, children, and expectant and nursing mothers must be borne in mind in the administration of the food supply. So far no serious problem has been encountered here, but a problem has arisen in the case of invalids and other persons requiring special diets. Local ration boards have been given wide discretion in dealing with such cases. To permit a more orderly and uniform handling of them and to provide a basis for preventing abuses, a Committee on Medical Food Requirements has been appointed by the National Research Council at the request of the War Food Administration. This committee will determine the specific diseases that require special allowances of rationed foods, the kinds and quantities of foods they require, and the best procedure for certification of individual cases.

SCHOOL LUNCHES

The need for assuring children of school and preschool age at least one substantial meal a day is of more importance now than before the war. With many mothers working with the wives of many service men on reduced incomes, and with other wartime conditions creating more difficult problems of preparing meals and lunches at home, the lunches children eat at schools and at child-care centers must be nourishing, well-balanced, and cheap.

Congress authorized the expenditure of 50 million dollars during the 1944 fiscal year for continuing and expanding the school-lunch program which has been in operation for several years.

The school-lunch program was inaugurated for the double purpose of helping dispose of agricultural surpluses in pre-war years and of assisting schools in providing healthful lunches to all children, regardless of ability to pay. Under war conditions it has been necessary to make drastic changes in the program to adapt it to a situation in which scarcities have taken the place of surpluses.

Under the program as now operated, eligible schools and child-care centers are reimbursed for expenditures for specified foods up to a certain number of cents per meal. The maximum allowance varies according to the adequacy of the lunch and is higher for lunches including milk than for those not including milk. A limited payment is given schools serving the children milk only. It is estimated that the Federal payment covers roughly 50 percent of food costs, on the average. The rest of the food costs and all service costs are the responsibility of local sponsors (in some cases with the help of State appropriations).

Any public or nonprofit private school is eligible to receive Federal assistance in serving nutritious lunches if the need is shown. All children in the school may participate, but children unable to pay for the lunches receive them free or at less than cost. No distinction is permitted between paying and nonpaying children.

It is estimated that around 5 million children will be participating at the peak of the program this school year.

FOOD ENRICHMENT

The program for enrichment of foods by adding vitamins or minerals is aiding substantially in insuring the population against possible deficiencies in certain nutrients. Enrichment of all white bread with thiamine, niacin, and iron has been made compulsory (Food Distribution Order No. 1) as a war measure. This order has hastened the practice of bread enrichment that had spread rapidly on a voluntary basis. Consideration is being given to making enrichment of all white flour compulsory. Some States have laws requiring the enrichment of white flour and bread and also corn grits and degerminated corn meal. It is estimated that about one-third of the white flour now used for civilian consumption is neither enriched in milling nor combined with enriching ingredients in the bakery.

The War Food Administration is actively encouraging, though not now requiring, enrichment of white flour and also of corn grits and corn meal, cereals, and macaroni-type products. Progress is being made in overcoming technical difficulties in the enrichment of polished rice, and it is hoped that a program may be possible to induce enrichment of this product.

Most important of the other food-enrichment practices is the enrichment of margarine with vitamin A, which has become particularly important with the wartime shortage of butter and increase in margarine consumption. About 90 to 95 percent of the margarine being manufactured at present is enriched with vitamin A. Consideration is being given to the desirability of enriching some canned foods with synthetic vitamin C.

The War Food Administration is working with nutritionists and other food specialists in promoting domestic distribution of soya flour,

flakes, and grits. Production of these new products was originally promoted to provide them for military and lend-lease use. Capacity now exists for supplying the domestic market as well, and estimated civilian supplies for 1944 exceed 300 million pounds. Soya flour is one of the few vegetable products containing substantial amounts of protein which compares in nutritional quality with animal proteins.

FOOD CONSERVATION AND ECONOMY MEASURES

Since an estimated 20 to 30 percent of all food produced in this country is wasted somewhere along the line from production to use, a food-conservation program has been developed to reduce this food loss to the minimum. Methods in use involve reaching all sources of food waste with information concerning the amounts and kinds of food waste and means of saving food; community organization to meet local food-wastage problems; and an action program to reduce food losses in distribution channels. Community-organization phases of the conservation program are pointed up through "Clean Plate Clubs." National women's organizations, men's civic clubs, educational foundations, churches, and the public school system have been enlisted in the forming of study groups, speakers' bureaus, and the use of all kinds of local publicity media to acquaint the public with the facts on the loss of food through wasteful practice in buying, storing, preparing, and serving food, and to stimulate and inform the public concerning methods of saving food.

To reduce food wastage in distribution channels, the food-conservation program has included cooperation with restaurant and retail trade associations in devising and promulgating waste-control measures that are proving effective in those food-handling businesses. Other action is embodied in food orders regulating practices in the distribution of bread and milk. Wasteful trade practices, such as consignment selling of bread and the return of unsold milk, are prohibited.

CONSUMER INFORMATION

American consumers are faced with the necessity for making changes in their food habits, for adjusting to straitened food budgets, and for resorting to all their ingenuity in adapting to the conditions that war has forced upon them. To assist consumers in making these changes and in applying present-day knowledge of nutrition so as to get the very most out of all the food available to them, War Food Administration is sponsoring a comprehensive informational program.

Regardless of the scarcity of some foods, the market always offers many foods in abundance. From these plentiful commodities, it is possible for consumers to select the elements of a well-balanced and appetizing diet. Considerable effort has been devoted to supplying information to consumers that will assist them in making maximum use of foods currently plentiful. To this end, the market news service, which has been in operation in most important markets for many years as a service to growers and dealers, has undertaken the additional responsibility of furnishing regular reports on market supplies, quality, and price trends adapted to the special needs of consumers. War-

time food bulletins are being furnished by market reporters in many metropolitan areas to press and radio outlets and to food advisers who are assisting housewives in food management problems. Lists of abundant foods are supplied to magazine food editors, to cookery teachers, to home economists, and to many other leaders who will use the list in building their menu and recipe services around the plentiful commodities. Trade promotion campaigns are tied in closely with this work, so that wholesale and retail food distributors, public eating places, and other handlers are pushing sales of the same commodities consumers are being urged to buy.

Food rationing creates the need for intensive educational effort to direct attention to the more plentiful foods that can supply essential nutrients. Meat rationing, for example, arouses consumer interest in other sources of protein, such as soybeans, peanuts, wheat and corn germ. Complete reliance on cereals for protein is dangerous because some of the essential amino-acids are not present in cereals in sufficient amounts. However, the vegetable proteins in the foods just mentioned are biologically similar to animal proteins, and it is desirable that they be used widely to supplement the reduced meat consumption of many civilians. An intensive educational program is in continuous operation; it uses all channels for reaching consumers to publicize the food value of these vegetable proteins, the many appetizing ways they can be used, and their importance as supplements to the meat ration—not as substitutes for meat. WFA has assisted the processors of these vegetable-protein products in extending their markets and in stimulating consumption. In turn, the processors have contributed greatly to the education of consumers in better diets.

Even with adequate supplies and proper selection of foods for the daily diet, much of the nutritive value of food is lost through poor handling and preparation in the home. Vitamins and minerals are frequently poured out with the broth. Others are destroyed by excessive cooking. Nutritional values of other foods are lost through improper storage in refrigerators and cupboards. Substantial quantities of food values are also lost to the garbage can. An important phase of WFA's educational activities through nutrition committees, information channels, and association with groups and organizations is public instruction in methods of conserving food in the home, of preventing waste, and making use of leftovers.

Food commentators, home economists, food editors, home-service representatives of industrial companies, women's magazine editors, and many others who are anxious to assist civilians in making adjustments to the wartime food situation call upon the War Food Administration regularly for advice and guidance in planning their activities. Services are provided for these writers and advisers to keep them supplied with latest information on food supplies, nutrition research, and the needs and objectives of the war food program. Continuous contact with most of the organized consumer groups, food-trade publications, women's magazines, the War Advertising Council, and other channels of information to consumers enables the War Food Administration to call upon the services of many powerful agencies whenever it finds it necessary to convey information to the public or to make a general appeal for assistance in helping to solve important food problems.

FARM LABOR

Farmers achieved their 1943 record production with a work force drastically reduced below its pre-war size.

Since April 1940 about 4 million actual or potential workers have left farms for the armed forces or for nonfarm employment, or taken nonfarm jobs while continuing to live on farms. Of the total, about 1 million men have entered the armed forces.

Many of the workers lost to the labor force were young men who were skilled in the operation of farm machinery and in the care of livestock. Although replacements have been made, only a small number of those who took their places could match the efficiency of those lost.

To compensate for this loss of experienced, able-bodied manpower, the American farmer has increased his working hours. He has brought his wife and children more fully into the working force. He has replaced a son or young hired hand with an elderly man. He has been obliged to train and use inexperienced town and city youth, men and women, enlisted in the United States Crop Corps, to help him pull through seasonal-labor peaks. He has used foreign workers, prisoners of war, troops, and other special sources of labor. He has shared labor, machinery, and other facilities with his neighbors to a greater extent than in pre-war years and devised many ingenious ways of saving labor. In many cases he has let some tasks go, such as repairing fences and buildings, to concentrate on getting essential commodities produced and on their way to market.

The estimated number of man-days required to achieve the 1943 production was 2,168,940,000, as compared with 2,051,115,600 man-days in 1939. The increase, amounting to 6 percent, was equivalent to the work performed by 471,280 men each working 250 10-hour days per year. But farmers last year actually had 398,000 fewer workers in January, 609,000 fewer in April, 792,000 fewer in June, and 878,000 fewer in September than were in the farm work force during those same month of 1939.

Furthermore, the composition of the work force in 1943 was considerably different from what it was before the war. According to preliminary estimates of the Bureau of Agricultural Economics, there were 1,300,000 more farm-resident women and children under 14 years of age, and 1,500,000 fewer farm-resident males over 14 engaged in farm work for the greater part of the work-week in October 1943 than in the same month of 1940. The reduction in number of males would have been even greater if it were not for the fact that many more older men were doing farm work this past year than in 1940.

Yet, despite the stringent manpower situation, there were no significant losses in agricultural production in 1943 that could be attributed to a labor shortage. It is well to note in this connection that this past year, the Nation's farms, with a population nearly 4 million under that in World War I, produced 47 percent more food than in

1918, which was World War I's peak food-production year. Output of food per farm worker in 1943 averaged 61 percent higher than in 1918.

Requirements.—The 1944 production goals will require 71,900,000 more man-days than were required for the 1943 production program (table 7).

TABLE 7.—*Estimated number of man-days required for agricultural production, 1943-44*

Item	Man-days, 1943	Man-days, 1944	Additional man-days, 1944 over 1943
	<i>Number</i>	<i>Number</i>	<i>Number</i>
Major crops ¹	872,900,000	924,630,000	+51,730,000
Major livestock ²	677,640,000	689,060,000	+11,420,000
Other ³	618,400,000	627,150,000	+8,750,000
Total.....	2,168,940,000	2,240,840,000	+71,900,000

¹ The number of man-days for 1943 is based on estimated crop acreages achieved and the number of man-days for 1944 is based on acreage goals.

² Meat and livestock products. The number of man-days for 1943 is based on estimated livestock numbers; that for 1944 is based on production goals.

³ Home and market gardens, fruits, berries, nuts, miscellaneous-crop acreages; horses and mules, ducks, geese, goats, bees; pasture, woods, and farm maintenance.

This additional work load will require the equivalent of 287,600 additional men each working 250 10-hour days per year. On a seasonal basis, it was estimated that approximately 80,000 more farm workers would be needed in January 1944 than were on farms in January 1943; 220,000 more will be needed in April, 400,000 more in June, 350,000 more in July, and 400,000 more in September, than in the corresponding months of 1943. These approximations are based upon normal weather and crop-maturity conditions.

Last summer, farm operators worked an average of more than 12 hours per day. This represented a 6-percent increase in the farmer's workday as compared with that in 1942.

We cannot expect to meet this year's additional farm-labor requirements by a further increase in the working hours of farmers, members of their families, and regular hired help. As a matter of fact, it may not be possible another year to equal 1943's lengthened work days, particularly during the summer and fall seasons. One reason is that 828,251, or 14 percent, of the farm operators reporting their ages at the time of the 1940 census stated that they were 65 years of age or older. In normal times many of these older operators would have retired and turned over their farms to younger men.

Program for 1944.—To help farmers meet their 1944 farm-labor needs, plans call for continued deferment of draft-age farm workers engaged in essential production; for further efforts to stabilize agricultural employment and wages; for the return to agriculture of those persons with farm experience who are not or cease to be engaged in essential nonfarm work; for a more complete mobilization of all potential local and State farm-labor resources; for the use of war prisoners; and where these actions are not sufficient, for the maintenance of a mobile task force of domestic interstate and foreign workers who can be moved to areas of critical need in sufficient numbers and at the right times.

DEFERMENT

The exodus of draft-age workers from agriculture had reached such proportions in the months following this country's entrance into the war that on November 13, 1942, Congress passed the Tydings Amendment to the Selective Service Act. This amendment provides for the deferment of workers necessary to, and regularly engaged in, an agricultural occupation or endeavor essential to the war effort, so long as they remain so engaged and until such time as a satisfactory replacement can be obtained. It supplanted earlier efforts of an administrative nature designed to halt the drain of essential workers from dairy, livestock, and poultry farms.

Since the Tydings amendment went into effect, about 1,650,000 occupational deferments have been granted to agricultural workers between the ages of 18 and 37, inclusive. These are about evenly divided between single and married men. In interpreting the figures, it should be borne in mind that not all of these individuals would have been called for military service by now if they had been taken in the order of their draft numbers. Furthermore, when due allowance is made for probable rejections, it will be seen that the number deferred solely because of the Tydings Amendment is considerably less than the total placed in the agricultural-deferment classifications.

Nearly all of the States have raised the production requirements for deferment under the Tydings Amendment, and local boards, with the advice of county agricultural agents and agricultural War Board members, are constantly reviewing deferments made under its provisions.

EMPLOYMENT STABILIZATION

To keep on farms a basic corps of experienced, skilled farm operators and workers, it was necessary to check the flow of workers out of agriculture into industry, as well as to limit inductions of farm men into the armed forces. The provisions of War Manpower Commission Regulation No. 7 were designed for this purpose.

Under this regulation, before any person who has been regularly engaged in agriculture can transfer to nonfarm employment, he must be referred to a specific job by the United States Employment Service, or in accordance with an arrangement with this service. Referral to a specific job is required to assure that the transfer will aid in the effective prosecution of the war. A statement of availability is not issued in making these referrals, for such a statement permits a worker to accept any job in essential activity. Before referring a farm worker to nonfarm employment, the USES local office must consult with the county agricultural extension agent.

However, a farm worker may transfer to nonfarm employment for a period not to exceed 6 weeks without referral by USES or presentation to the hiring employer of a statement of availability. This is to permit short-time shifts of farm persons into nonfarm work during slack seasons in agriculture, without burdening either the hiring employer or the worker with the referral procedure. Such temporary employment must be in the locality where the worker has lived or worked during the preceding 30 days. Deferred farm men must, of course, get a release from their draft boards before taking temporary

nonfarm work in order to retain their deferment while away from agriculture.

Job transfers within agriculture and by persons desiring to leave their nonfarm employment to engage in farming or work on farms are not restricted by the War Manpower Commission.

Among men being released from the armed forces because of disabilities or for other reasons will be some farmers and farm hands, many of whom probably will need governmental assistance to reestablish themselves in agriculture. The War Food Administration throughout 1944 will devote special attention to the needs of returned war veterans with agricultural backgrounds who are able to work and desire to resume their farming careers.

WFA RECRUITMENT AND PLACEMENT PROGRAM

When the War Food Administration was established in March 1943 it took over the farm labor program. In April, Congress passed Public Law 45, appropriating \$26,100,000 for the calendar year 1943 for expenditure by the War Food Administrator to help labor-short farmers obtain workers. An Office of Labor was then set up within WFA to supervise the program provided for by Congress. Public Law 45 directed the Administrator to allocate a portion of the funds to the State agricultural extension services. County extension agents were given responsibility for mobilizing local labor, including recruits from towns and cities, and placing all farm labor.

In 29 States the Extension Service contracted with the United States Employment Service for assistance with farm-placement activities of the type USES had been carrying on prior to operation of Public Law 45. USES assistance varied from work in a few counties in most of the 29 States to providing some assistance in most counties in New York, Oregon, Washington, and Montana.

Local farm-placement offices operated during 1943 by Extension Service and USES numbered 6,150.

The War Food Administrator made the balance of the appropriation available to the Office of Labor to operate the interstate and foreign phases of the program and to administer the entire program.

As a result of the appropriation of approximately \$35,000,000 and continuation of Congressional authorization, under the terms of Public Law No. 229 (78th Congress, second session) the following farm-labor program has been projected for 1944:

Local mobilization.—As in 1943, major emphasis will be placed on the full mobilization of local people for seasonal farm work. All recruited workers again will be enlisted in the United States Crop Corps, which was created last year to give recognition to persons responding to appeals for workers to help on farms and in food-processing plants. Subdivisions of the United States Crop Corps are the Women's Land Army and a youth organization known as the Victory Farm Volunteers. The latter is affiliated with the High School Victory Corps sponsored by the United States Office of Education.

In conducting local mobilization work the county agents will continue to have the guidance and assistance of farm-labor advisory committees, and 650,000 volunteer farm neighborhood and group leaders will continue to cooperate with the agents in arranging for the pooling of labor and labor-saving machinery.

Records of the War Food Administration's Office of Labor show that from April 29 through December 1943 placements of workers estimated at 4 million were made through the 6,150 Extension Service-operated or financed local farm placements offices. These placements involved $1\frac{1}{2}$ million different workers and the filling of about 1 million orders from farmers.

Many other workers made direct arrangements with farmers for their employment; hence their contributions are not reflected in placement records.

In 1944 this program of local mobilization will be pushed even more vigorously than it was this past year.

Men, women, boys and girls, whether they live on or off farms, are eligible for membership in the United States Crop Corps. It is estimated that in 1943 about 3,500,000 persons in all—many of them vacationists from towns and cities—aided the regular farm work force and food processors to save crops so urgently needed for war requirements at home and abroad. This estimate includes the 1,500,000 different workers placed through the local placement offices.

Four million workers will be needed in 1944 to supplement the efforts of the regular farm and food processing labor force. The regular farm labor force, numbering about 8 million persons, consists of all farmers and family members regularly employed in farm work, plus their year-round hired workers.

Most of the 500,000 increase in extra workers needed will have to come from the ranks of women and youth. It is expected that about 1,200,000 of the extra workers will be boys and girls under 18 years of age, 300,000 more than last year, and about 800,000 will be women, 200,000 more than in 1943. The youth who help with farm and food processing work become Victory Farm Volunteers, while the women workers make up the Women's Land Army.

Although extra workers obtained through the county agents' local mobilization campaigns will be encouraged to make their own arrangements with farmers and food processors, it is expected that the 6,150 local placement offices, scattered throughout the 3,000 agricultural counties, will be called upon to recruit and place 2 million or more persons.

Intrastate transportation of workers.—During the 8 months ended December 31, 1943, the State extension services paid all or part of the cost of transporting 22,000 agricultural workers from areas of temporary surplus to areas of critical need within the States. Plans for 1944 provide for the transportation of 35,000 intrastate workers.

Interstate and foreign workers.—During 1943, 14,124 domestic seasonal workers were transported from 26 States having available workers at certain times to States having serious shortages of farm workers, and 5,058 year-round (full-time) workers were transported interstate and placed on dairy, poultry, and general farms.

To obtain foreign workers, the War Food Administration, through the State Department, negotiated agreements with the Governments of Mexico, the Bahama Islands, and Jamaica. During the year, 52,098 workers were imported from Mexico, 4,698 from the Bahama Islands, and 8,828 from Jamaica. These foreign laborers worked in 30 States cultivating and harvesting truck crops, potatoes, fruits, sugar beets, and other crops.

The 1944 interstate and foreign-labor program calls for the maintenance of a mobile task force of 126,000 able-bodied, experienced workers.

Other sources of farm labor.—The farm-labor force in 1943 included 45,400 prisoners of war, 12,600 Japanese internees, who volunteered for this work, 4,400 inmates of corrective and penal institutions, 2,500 conscientious objectors, 54,500 members of the military services who volunteered for farm work on 1- to 3-day passes from their camps, and 7,425 soldiers who were detailed in units by the War Department to areas in North Dakota, South Dakota, Maine, New York, California, and Oregon as a last resort to insure the saving of essential crops.

These sources of labor will be utilized in 1944 only to the extent necessary to meet labor needs in excess of those that can be taken care of by local labor.

Operation of farm-labor-supply centers.—To furnish feeding, housing and other facilities necessary for use of foreign and interstate workers, farm-labor-supply centers were operated by the War Food Administration on 151 sites in 1943. These centers have accommodations for a total of about 20,000 families, or on the basis of single workers, from 70,000 to 80,000. They include the centers formerly utilized by the Farm Security Administration, former CCC camps, NYA camps, renovated community buildings, fair buildings, standard equipment borrowed from the Army, and other facilities.

For 1944 the program for farm-labor transportation, involving some 126,000 individuals, will be exceedingly difficult without additional labor-supply centers to serve as reception points, placement centers, and sites for housing and subsistence of the transported workers, especially in those essential-crop areas in which private housing facilities do not permit the necessary number of workers to live on the land of the growers who employ them.

To effectuate a better distribution and utilization of interstate and foreign workers, a request has been made to Congress for funds to permit the construction of and procurement of equipment for 49 additional Office of Labor centers.

The extension services in 1943 financed or assisted in financing some 280 camps for United States Crop Corps workers. About the same number of camps for interstate workers are planned for 1944.

WAGE STABILIZATION

Under war conditions, involving shortage of manpower in the face of unprecedented demand for productive forces, it is inevitable that farm wages, which in the past have suffered under the influence of a surplus labor supply, should tend to rise. It is likewise inevitable that the rise of farm wage rates should be uneven and should affect some branches of production more than others. However, in the interest of war production and the maintenance of national morale, it is necessary that wage increases, whether on the farm or elsewhere, should not give rise to inflationary tendencies. Farm wage rates must be maintained in a proper relation to wage rates in processing plants and in industrial employment, as well as in relation to the prices of farm products. Control of farm wage rates is also highly desirable as a means of avoiding loss of working time through excess labor turnover

and the "pirating" of farm labor by one grower from another, especially in seasonal-crop operations. Hence, the need for measures looking toward wage stabilization.

Authority to stabilize agricultural wages and salaries has since November 30, 1942, been in the hands of the Secretary of Agriculture and the War Food Administrator. This authority was based on the Act of October 2, 1942 (Public Law 729, 77th Cong.), and the subsequent Executive Orders 9250 and 9328. Under the regulations of the Economic Stabilization Director, as revised on August 28, 1943, employers of agricultural labor are free to raise wages or salaries up to \$2,400 per annum at their own option, unless and until the War Food Administrator determines that such increases may no longer be made without his approval. Agricultural wages and salaries which are \$2,400 per annum or more, however, are frozen and cannot be increased without prior approval of the War Food Administrator, or of the Commissioner of Internal Revenue where such salaries are above \$5,000 per annum.

The exemption of agricultural wages and salaries which are below \$2,400 per annum from limitations placed by the Economic Stabilization Director upon all nonagricultural wage rates was justified on the grounds (1) "that the general level of salaries and wages for agricultural labor is substandard," (2) "that a high disparity exists between salaries and wages paid labor in agriculture and salaries and wages paid labor in other essential war industries," and (3) "that the retention and recruitment of agricultural labor is of prime necessity in supplying the United Nations with needed foods and fibers."

The regulations also provide that "no employer shall decrease wages and salaries paid to agricultural labor below the highest salary rate or wage paid for such work between January 1, 1942, and September 15, 1942, without the approval of the War Food Administrator." The penalties for violation of wage stabilization orders are severe. Violators, whether employers or employees, are subject to a fine of not more than \$1,000 or to imprisonment for not more than 1 year or to both penalties. In addition, where wages or salaries have been increased in contravention of a wage-stabilization order, the amount of the salary or wage paid at the increased rate is disregarded by all agencies of the Government for the purpose of determining production costs of the employer in relation to price control, income tax returns, or contracts with the Government.

During the period of more than a year that agricultural wage rates have been under the jurisdiction of the Department, what has been done toward stabilization has been with a view to promoting orderly utilization of the labor supply. Up to December 31, 1943, wage-ceiling orders had been issued by the War Food Administrator with reference to 5 groups of workers. Four of these orders were based on the recommendations of the California USDA Wage Board, the fifth on that of a similar board in Florida. The first, issued April 14, 1943, established maximum wage rates for harvesting asparagus for canning and freezing in 5 California counties; the second, issued August 24, 1943, related to the harvesting of canning tomatoes in 20 California counties; the third, issued August 26, 1943, set maximum rates for picking sun-dried raisin grapes in 8 California counties, and the fourth, issued October 2, 1943, established ceilings on cotton picking in 6 Cali-

ifornia counties. The latter order was amended December 29 to establish ceilings also on cotton snapping in the same counties. The Florida order, issued November 25, 1943, established maximum-wage rates for persons engaged in harvesting tangerines, oranges, and grapefruit in that State.

Detailed reports on the California programs have been issued only with reference to asparagus. It appears that all four California programs have won general approval. Labor turn-over has been reduced; efficiency of labor on the job has been increased; wage rates have been prevented from rising to the high levels characteristic of the previous season. To what extent these beneficial developments have been due to the wage-stabilization program and to what extent to an improved condition of labor supply, involving the employment of a considerable number of Mexican nationals, is not yet clear. At any rate, the operation of the program has been such as to give rise to a demand on the part of growers for an extended system of wage ceilings in California in 1944. The Florida program is still of too recent origin to permit generalization concerning results.

During the 1943 season, it became increasingly clear that in a number of instances, particular farm-wage rates were rising to such a degree as to cause dislocations in food processing and industrial wage structures. The food processing industry has complained about the difficulty of keeping workers in the plants because of the high wages to be made on the farms. Similar observations have been made by Regional War Labor Boards. Between October 1, 1942, and the same date a year later, the farm wage rate index increased by 60 points, the greatest rise ever recorded within a year's time. In the Pacific area, the rise was one of 72 points. On October 1, 1943, farm wage rates had increased 117 percent over those of July 1940.

Despite rapid rises during 1943, farm wage rates in general are still substandard, whether measured in relation to farm income or in relation to industrial wage rates. The relationship between farm wage rates and net farm income in 1943 was roughly that of the years 1935-39, a period when farm wages were depressed by heavy unemployment and restricted movement of farm people to the cities. Figures of the Bureau of Labor Statistics show that on September 1, 1943, average earnings in all manufacturing industries were 99.3 cents per hour, \$7.40 per day, and \$44.39 per week. At the nearest comparable date for which figures of the Bureau of Agricultural Economics are available, namely, October 4, 1943, hourly earnings of hired agricultural workers were 34.8 cents, daily earnings were \$3.51, and weekly earnings were \$17.15. Even in the lowest paid of the manufacturing industries, namely cotton manufacture and cottonseed crushing, wages were well above the level of agricultural wages. At these same rates, hourly farm wage rates were only 47 percent of the wage rate paid for common labor in road building in the United States, while daily rates on the farm were only 58 percent of the daily rate paid in road work.

Although farm wage rates are still, for the most part, of a substandard character, it is anticipated that the year 1944 will call for more extensive measures of wage stabilization. Wage boards will be established by the War Food Administrator in all States in which during 1943 farm wages rose to undesirably high levels or in which it is anticipated that in 1944 they will do so. It will be the duty of the

State wage boards to make recommendations to the War Food Administrator with respect to the setting of maximum-wage rates for specific crop operations in carefully defined areas. Attention will be paid to regional and area differentials. It also will be the duty of the wage boards to make adjustments necessary on account of hardships caused by the wage-stabilization program, and to administer the program with a view to securing compliance from all concerned. In this, the wage boards will have the active cooperation of State and county agricultural war boards.

FOOD-INDUSTRY LABOR PROBLEMS

The labor problems of the food-processing industries are of concern to the War Food Administration, because many, if not most, farm products must be processed before they can be properly classified as food. Increased farm production would be futile if foodstuffs were allowed to go unprocessed because of an inequitable distribution of manpower.

The 1944 labor requirements of the food industries probably will be the largest on record. A large proportion of the 1944 agricultural production will have to be processed so that it can be stored or shipped, so as to be available to the military forces, to our civilian population, and to the people of allied or liberated countries.

The labor supply available to the food industries has not increased in proportion to the increased demands for processed foods. On the contrary, in some of the food industries, employment actually has declined. Furthermore, the productive output of the available labor force is far less than that of a comparable number of pre-war employees, because greater numbers of women, children, and older men are now employed by the food industries.

OTHER LABOR PROBLEMS

There are several agricultural input industries and industries supporting food processing in which labor shortages are critical. These are commercial feed production, fertilizer production, seed processing, container production, the maintenance of agricultural machinery and trucks, and food warehousing. The problems of these industries are of concern to farmers because their products are vital to achieve 1944 production goals. The War Food Administration, through the Food Industries Division of the Office of Labor, keeps in touch with the manpower needs of the food processing and agricultural input industries and acts in a liaison capacity between WFA and the War Manpower Commission, National War Labor Board, and other agencies on the manpower and wage and salary problems of these industries.

MATERIALS AND FACILITIES

An adequate supply of machinery and equipment, materials, and facilities is prerequisite to achieving the 1944 food goals. Equipment, materials, and facilities, such as farm machinery, food-processing machinery, metal and other containers and closures, building construction and maintenance, and fertilizers and chemicals, are vital to the major programs.

To produce these essentials, the War Food Administration has co-operated constantly with the War Production Board in an effort to make available the following items:

1. Steel, copper, and aluminum (controlled materials) for the construction of nearly all the items named above.
2. Other critical materials, such as glass, paperboard, and wood for containers.
3. Standard fabricated components for farm and processing machinery, such as electric motors, antifriction bearings, carburetors, gears, and axles.
4. Raw materials for fertilizers and insecticides.
5. Fabrication capacity to produce the completed product at the time when it is needed.

Obviously, the allotment of materials is only half the battle of making and delivering the necessary equipment and supplies. Materials must be translated into finished products in time to meet the food-program requirements. For this reason, the War Food Administration emphasizes the dependence of agriculture on adequate allocations of materials and component parts and on timely delivery of the finished products.

The projected 1944 food goals are not beyond the productive capacity of this Nation's farm plant, with normal weather conditions and with fulfillment of the scheduled production of farm equipment and supplies.

The materials situation (as of mid-January) is summarized as follows:

1. The allotment of critical materials—steel, copper, and aluminum—by WPB is relatively satisfactory. Steel allotments for the first quarter of 1944 are:

<i>Item</i>	<i>Tons</i>
Farm machinery-----	318, 000
Food containers and closures-----	508, 000
Processing machinery-----	20, 000
Construction-----	15, 000
Fishing boats-----	1, 500
 Total -----	 862, 500

2. Component parts for farm machinery (motors, gears, magnetos, castings, etc.) are meeting serious competition from vital war equipment such as landing craft and vehicles for military transportation. The extent to which these component part needs are

met will determine the production of necessary items of farm equipment, particularly tractors.

3. Component parts for food-processing machinery are also vital pieces of equipment and meet competition from imperative military requirements.

The over-all problem of equipment, materials, and facilities for meeting agriculture's 1944 food goals is by no means solved. Critical materials are tight though allocated in sufficient quantities to get by the emergency. Components for farm machinery and food-processing machinery are in the critical stage, with every effort being exerted to meet scheduled production. The reason for this is competition from the military services, whose needs have the highest priority in keeping with the Nation's broad war strategy. The problem of equipment and supplies is not peculiar to agriculture alone. In this emergency all groups compete for the materials, facilities, and resources of the Nation. The demand for most items exceeds the supply, and even critical needs can often be only partially met.

Manpower shortages and transportation bottlenecks impinge upon manufactured farm requirements, as they do upon other large segments of the national economy. Farmers suffer shortages along with other large producer groups. Solution of the problems can come in various ways: By improvisation when necessary; by the use of alternative materials and devices; by more thorough maintenance of existing equipment; by more efficient use of farm equipment (for example, through neighborhood pooling) and by efforts to meet scheduled production of machines and equipment.

Because farm labor is short, more farm machinery and fertilizers are needed to increase farm production efficiency. New machinery at roughly 80 percent of 1940 production will meet only about half the needs of farmers. Fortunately, the manufacture of repair parts is unrestricted and is currently running at about 160 percent of the 1940-41 base. The combined authorized production of new machinery and repair parts compares favorably with that of the base period, which was one of the most active in farm-machinery production.

FACTORS INVOLVED IN EQUIPMENT SCHEDULES

There has been some criticism of the scheduled production of farm equipment and supplies. It should be borne in mind that farm needs must be considered along with the needs of other claimant groups that compete sharply for scarce materials. Military services properly have the highest priority. Farming, domestic transportation, processing industries, and other civilian activities need machinery, materials, labor, and services; and their combined requirements exceed the supply possibilities. The test of allocation is the bearing such decision has on the total war effort, and this is the test which the War Production Board applies to all demands and requirements. It gives first call on all resources to the military. But this does not mean that the military gets all it asks; military demands, too, are subject to careful scrutiny.

Nevertheless, a fairly sizable amount of AA-1 authority is now available to farm-machinery manufacturers who need it. This AA-1

rating should alleviate some of the component difficulties for making farm machinery and equipment.

In the case of processing machinery the most critical components are electric motors, gages, thermometers, recorders, and bearings. Roughly 85 percent of the canning machinery and 65 percent of dairy, egg, and poultry machinery utilize one or more of the above-mentioned critical components. The machinery required for these and other important food-processing industries was programmed by the War Food Administration for the third quarter of 1943. Estimated requirements covered both needed replacement of worn-out machines and new machinery needed to keep pace with expanding crop production. Much of this machinery must be delivered during the first and second quarters of 1944 if it is to be of maximum use in producing and processing 1944 crops.

Urgent farm needs include critical components for both farm-machinery repairs and new machinery. For a great range of farm-machinery items, few if any components are needed; hence for a considerable part of the program no difficulty in meeting production schedules is expected. It is in the production of heavy-powered items, such as large combines, sprayers, and earth-working equipment that the shortage of components can retard production most seriously.

The more important critical needs for repairs are:

<i>Component</i>	<i>Some of the machines affected</i>
Magnetos.....	Tractors, combines, sprayers, pick-up balers.
Bearings and bushings.....	Tractors, combines, threshing machines, feed mills, sprayers, peanut pickers.
Gears.....	Tractors, especially.
Forgings (crankshafts, connecting rods, crane shafts, etc.).....	Tractors, combines, sprayers, pick-up balers.
Valve stems and heads.....	Tractors, combines, sprayers, pick-up balers.

The more important critical needs for *new* machines are (same list as for repairs, plus the following):

<i>Component</i>	<i>Some of the machines affected</i>
Carburetors.....	Tractors, combines, sprayers, pick-up balers.
Malleable castings.....	Nearly all machines and implements.
Disk blades.....	Disk plows, harrows, and cultivators.
Gasoline engines, water-cooled.....	Tractors, combines, sprayers, pick-up balers.
Electric motors, fractional.....	Milking machines, milk coolers, water systems.

CONTROLLED-MATERIAL REQUIREMENTS FOR 1944

Estimated requirements for controlled materials for 1944, projected on the basis of minimum needs to meet food goals, show substantial increases over those of 1943, especially for replacement of farm machinery and equipment. During 1942 and the early part of 1943, equipment then in use, equipment in inventories, and the extension of existing equipment through careful maintenance made it possible to meet food and fiber production needs with a smaller production of farm equipment. But reliance exclusively on these facilities could not be continued without grave danger to the food program. Accordingly, replacement was scheduled at a much higher rate in 1944.

FARM REQUIREMENTS

Farm machinery.—Production of farm machinery is controlled by the War Production Board. The farm-machinery order covering the year beginning October 1, 1942, originally limited new machinery production to about 23 percent of that in 1940 and later permitted manufacture of about 40 percent of the 1940 production. This quantity was not produced, because of military competition for critical materials and low priority ratings for farm machinery. Beginning with the third quarter of 1943, the original order was superseded by Order Number L-257, which permits production for 1944 use of about 80 percent of the 1940 production. If this scheduled farm-machinery production is realized, and it is well along toward realization, it will amount to about 285 million dollars worth of new equipment at 1940 valuations and 134 million dollars worth of repair parts.

The War Food Administration requested the War Production Board to amend the order so as to permit the manufacture of additional quantities of harvesting equipment required by the larger 1944 acreage goals for wheat, corn, potatoes, dried beans, dried peas, soybeans, hay, etc. This request was granted; the action raised the production level for farm machinery to about 84 percent of the 1940 level. As a safety factor against schedule failures on tractors, some manufacturers who indicated their ability to take on additional production were given extra quotas.

Table 8 provides an index of purchases of farm machinery and repair parts based on 1940 and on the average 1920-41.

TABLE 8.—*Index of farm machinery purchases, 1927-43*

Year	1920-41=100	1940=100	Year	1920-41=100	1940=100
1926.....	109	76	1936.....	116	81
1928.....	107	75	1937.....	150	105
1929.....	125	87	1938.....	126	88
1930.....	106	74	1939.....	120	84
1931.....	56	39	1940.....	143	100
1932.....	23	16	1941.....	189	132
1933.....	24	17	1942.....	167	117
1934.....	48	34	1943 ¹	76	¹ 53
1935.....	86	60	1944 ¹	144	¹ 101

¹ Based on estimates supplied by the Office of Materials and Facilities, WFA; assumes the same rates of repair parts to machinery as were sold in 1942. Figures for 1944 and 1945 are for manufacturers' years beginning July 1, 1943, and July 1, 1944.

The farm machinery authorized under L-257, together with the additional harvesting equipment, will be sufficient (with the possible exception of tractors) to provide minimum requirements for meeting 1944-crop goals. The tractor program is necessarily based on the remaining productive capacity of the industry after essential military needs have been satisfied. Because it is a minimum program, any failure to produce the authorized output for want of adequate component parts might cause failure to meet the 1944 goals.

Farm machinery purchased since the close of World War I is estimated to be within the following age brackets:

Years old:	Percent
Less than 6.....	32
6-12.....	14
12-24.....	54

About 25 percent of the farm-machinery inventory is now in the average discard age—15 to 18 years—and any failure in the production program may be extremely serious.

Distribution and rationing.—In 1943 production and distribution factors necessitated rationing and distribution controls over 91 types of farm machinery. In 1944 better production and distribution conditions have made it possible to reduce the number of types of machinery over which distribution controls will be maintained to only 46 types and over which rationing controls will be maintained to 31 types.

The new rationing and distribution program provides for a minimum control over distribution. Trade relations among farmers, dealers, and manufacturers will more nearly approach normal. Only the most essential equipment is rationed. While a few types of machines may not be vital to all sections of the country, each type is of major importance to some areas and some essential crops.

Fertilizers.—A considerably improved fertilizer situation is in store for farmers in 1944. In the 12 months ended July 1, 1943, farmers used about 10.5 million tons of chemical fertilizers. Over all, about 10 percent more is expected to be available for the 1943-44 crop season. There will be about 40 percent more nitrogen, 15 percent more superphosphate, and slightly more potash than the average of the last two years.

With the exception of approximately 700,000 tons of nitrogen-carrying fertilizer imported from Chile and 341,000 tons from Canada, but including about 3,000 tons of phosphate also coming from Canada, supplies of commercial fertilizers of domestic production are as indicated in table 9.

TABLE 9.—*Supplies of commercial fertilizers used in 1942-43; anticipated use in 1943-44; and imports, actual for 1942-43 and estimated for 1943-44*

Item	Used in 1942-43	Anticipated use in 1943-44	Imports	
			1942-43 actual	1943-44 estimated
	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>
Nitrogen (with carrier).....	1,976,000	2,345,000	¹ 200,000	¹ 341,000
Phosphoric acid (with carrier).....	5,800,000	7,000,000	² 1,000,000	² 700,000
Potash.....	980,000	950,000	³ 3,000	³ 3,000
Total.....	8,756,000	10,295,000	1,203,000	1,044,000

¹ From Canada.

² From Chile.

³ Insignificant.

Insecticides and fungicides.—Processing facilities are adequate. The problem is the supply of raw materials. Lead and calcium arsenates, sulfur, and mercurials should be available in adequate quantities as should also copper sulfate if supplies of scrap copper prove sufficient after military and export needs are met. The supply of rotenone will continue inadequate although there is likely in 1944 to be 2½ times the 1943 supply. There will be very little pyrethrum for the duration. Increased quantities of nicotine sulfate, cryolite, and organic thiocyanates are proving effective substitutes for rotenone and pyrethrum for some purposes, and experimental work is being done with other chemical substitutes.

Milk cans.—Until the first year of the war, average annual production of milk cans was approximately 1,000,000. Limitation and conservation orders combined with manufacturers' difficulty in securing steel sharply curtailed milk-can production at a time when milk production was sharply rising. To make up this twofold deficit, 1,431,000 cans were manufactured during the 12 months ended July 1, 1943 (goal 1,500,000), and 1,700,000 cans are scheduled for the 12 months ending July 1, 1944.

Merchant steel products.—Present indications are that the 1944 supply of the following items will be adequate to meet farm needs: Barbed wire, woven wire, bale ties, nails and staples, pipe. There will be more poultry netting than in 1943.

Copper wire.—Because of the direct relation of electric power to farm production in the operation of such equipment as milking machines, feed grinders, water pumps for livestock, brooders, etc., the electrification of farms has been continued throughout the war period, subject to the restriction that the farmer must have a sufficient number of animal units (1 cow, 10 beef cattle, 75 laying hens, etc.) to make effective use of electrical equipment. Originally set at 10 animal units, effective March 24, the minimum requirement has been reduced to 5 animal units to qualify a farm for an electrical connection. This easing of the restriction will make it possible for many small farms to secure electrical service.

On-farm storage.—On-farm storage facilities are about sufficient to handle the 1944 production as now outlined in the goals. Additional storage warehouses will be needed next year, however, both on and off farms for holding potatoes and sweet potatoes. Completion of this program will be handicapped by shortages of labor and lumber. Up to 20 million board feet of lumber will be required.

Farm construction.—During the 10 years prior to 1940 new farm construction lagged considerably behind depreciation so that at the beginning of World War II facilities were inadequate to protect crops and livestock properly. In 1940 and 1941 it is estimated that expenditures for farm construction averaged about 635 million dollars annually, 60 percent of this amount being spent for maintenance and repairs. Thus for the first time in more than 10 years expenditures exceeded depreciation.

Owing to present material shortages and building restrictions it is calculated that in 1943 expenditures were about half of the 1940-41 annual average. More than half this total was for new construction. During 1944 it is expected that at least the same amount of farm construction will be required for the food-production program.

Lumber.—The year 1943 began with a severe shortage of lumber for farm use—about 50 percent of the supply in 1940. Considerable relief was given with the granting by the War Production Board of AA-2 rating to farmers for 500 million board feet of softwood lumber from June through December, rationed to them through the County War Boards. With the assistance of a War Food Administration program to encourage greater production of forest products from farms, it is anticipated that the 1944 lumber supply will be comparable with that in the later months of 1943. This should be adequate to take care of all necessary farm construction.

Irrigation and drainage.—The War Food Administration and the War Production Board have recently substantially agreed upon a new

irrigation and drainage program, which will require approximately 14,000 tons of carbon steels. In 1943 materials were obtained to begin work on some of the irrigation and drainage projects where the land can be put to productive use in 1944 and 1945. Through irrigation and drainage work started in 1944 and completed that year or early in 1945 approximately a million additional acres can be brought under a high degree of cultivation during 1944 and 1945, and drainage systems can be made effective or supplemental irrigation water can be provided for approximately the same acreage. This work is expected to add from 150,000 to 300,000 tons of critically needed foodstuffs to our supplies.

FOOD-PROCESSING REQUIREMENTS

Machinery for processing food.—Production of processed food is up approximately 30 percent over the 1939 level, an increase largely necessitated by demands of the armed forces, lend-lease, and other noncivilian agencies which in 1944 will require at least one-fourth of all food processed.

From the spring of 1942 to date fabrication of machinery for most food-processing industries approximated 20 percent of such manufacture in normal years. With greatly increased wear and tear on machinery owing to longer running hours and poorer maintenance of equipment by inexperienced help, War Production Board and War Food Administration officials realized that unless provision was made for the manufacture of essential machines for replacement and expansion purposes far enough in advance of actual needs, a break-down in many segments of the food industry would be inevitable.

In June 1943, WPB Order L-292 was published. It set the production level for the processing machinery of most food industries at 50 percent of the 1939-41 average, with the further provision that this percentage would be amended when the War Food Administration established the need at a greater or lesser amount.

With the War Production Board's approval in the first quarter of 1944 the War Food Administration took over the programming of machine requirements of the major food-processing industries. Table 10 shows the allocations of carbon steel obtained for the production of new machinery in that quarter, with the percentages for replacement of worn-out machines and for expansion of processing capacity.

TABLE 10.—*Allocations of carbon steel for food-processing machinery*

Controlled material production	Industry	Carbon steel allocated by WPB for first quarter of 1944	Estimated distribution	
			Expansion	Replacement
		Tons	Percent	Percent
200.....	Baking.....	2,500	8	100
201.....	Canning.....	2,131	23	77
202.....	Cereal.....	2,442	5	95
203.....	Dairy.....	3,472	30	70
204.....	Meat.....	2,332	28	72
205.....	Sugar.....	350		100
247.....	Oils (vegetable, animal, fish).....	2,257	30	70
676.....	Commercial fishing equipment.....	255		
Total ¹		15,739		

¹ Of the total amount of controlled materials allocated, 80 percent is for the manufacture of machinery for replacement, 20 percent for expansion purposes.

These allocations were sufficient to fulfill the fourth-quarter needs of the above industries, and allocations for future quarters seem adequate.

Expansion shown in the dairy, meat, and canning industries is largely due to heavier military demands.

Containers and packaging.—The 1944 outlook is unfavorable for some types of containers. Corrugated and fiber shipping containers for canned, glassed, and other foods; wooden containers, principally for fresh fruits and vegetables; and tight and slack cooperage offer the more pressing problems. Shortages of labor, materials, and, in some cases, fuel are restricting the output of desired food jars.

Tin and glass containers.—M-81 and M-104 are the two WPB orders controlling tin plate and metal closures for glass containers. These orders have resulted in the desired channeling of that portion of our food output normally preserved in hermetically sealed containers and thus limit the two kinds of containers that require more than 90 percent of the controlled materials needed for this purpose. Scores of canned-food items have been eliminated and the necessary supplies of steel plate devoted exclusively to products needed in the war effort or considered essential for civilians. Unlimited packs of vital items are permitted, the output being limited only by existing processing facilities, assuming crops, labor, and such factors are ample. The production of other items, principally for civilian consumption, is limited to specific percentages of previous packs in line with nutritional needs.

Requirements as now outlined for 1944 call for the use of about 2,000,000 tons of steel plate for tin and glass containers, against approximately 1,750,000 used in 1943. Timely approval of rolling schedules will permit the can and closure fabricators to meet this program without serious difficulties. The output of glass containers in 1944 is likely to fall below needs, owing to labor shortages, a shortage of shipping containers, and trouble in obtaining the materials and facilities for conversion and expansion.

Fiber and corrugated boxes.—Demands for these products are at all-time high, with processing facilities available but with shortages of raw materials definitely in sight due to lack of woods labor. Foods take 60 percent of the supply.

Wooden shipping cases.—Both wooden boxes and veneer boxes are in extremely short supply, with food shipments being delayed from time to time by their lack. The basic reason is the same as with corrugated and fiber boxes—shortage of lumber-camp labor. Vegetable and fruit crates, both for use in the areas of production and for shipping, have been the first to feel the pinch, with produce spoiling in some areas because it was impossible to secure the necessary shipping containers.

Reuse of wooden containers, open-mesh bags, egg crates of all kinds and as many other containers as possible is being stressed as one of the principal means of coping with the container shortage anticipated in 1944.

TRANSPORTATION AND STORAGE

TRANSPORTATION

The railroads have been doing an excellent job, although rail capacity is now being taxed very nearly to its limits. The size of the transportation job that was done by the railroads may be measured by the movement of approximately 2,650,000 cars of grain and grain products in 1943, an increase of more than 20 percent over the number moved in 1942, and 840,000 carloads of livestock, 12.5 percent more than in 1942. In addition, all other movements of food products were adequately handled.

Steps are now being taken to curtail cross hauling and unnecessarily long hauls in moving freight as far as possible, on a voluntary basis, in the hope of providing some reserve capacity. These measures are being vigorously pressed, in accordance with the request of the Office of Defense Transportation.

RAILROAD TRANSPORTATION

Box cars.—This class of equipment is currently very tight and the shortage is keenly felt in the movement of grain. Prospects for 1944 indicate full need for all the box cars that can be obtained. A program for the construction of about 12,500 cars has been approved by the War Production Board, and orders are in sight for additional box cars. Following the recent elimination of differences between that agency and the railroads over the particular types of cars approved, the full quantity of box cars authorized by the War Production Board should be procured and placed in service.

Refrigerator cars.—Owing to the perishability of commodities carried in refrigerator cars and the lack of sufficient expansion of the type of storage required to hold them under protection for an extended time, the past year has seen acute seasonal shortages in this type of equipment. Fresh fruits and vegetables, in particular, must move rapidly during the peak of harvest or suffer serious risk of spoilage and loss.

Difficulty in meeting peak requirements may occur, and commodities that ordinarily move in refrigerator cars are being diverted to box cars where it is possible to do so without undue hazard. The War Food Administration, the Office of Defense Transportation, the Interstate Commerce Commission, and the railroads are taking steps to meet the situation.

Tank cars.—Currently, tank-car requirements for agricultural commodities are being met by very careful scrutiny and control of their use. The opening of additional pipe lines for handling petroleum may free some tank cars for other uses, but the total demand for such equipment is likely to remain above the supply.

Manpower and motive power.—This situation is very tight owing to a general and growing shortage of manpower for practically every purpose.

The number of freight and switching locomotives in service as of January 1, 1944, totaled 32,435. It is estimated that approximately 1,000 new locomotives will be added in 1944. This is a minimum program, which must be completely carried out to avoid serious trouble in 1944.

TRUCK TRANSPORTATION

This year will be a critical period in the movement of farm products to market. It is imperative that every farmer's truck and every "for hire" truck that hauls farm products be kept operating and used to the fullest extent possible. Motors must be kept in condition and tires will have to be reconditioned, as there are not enough to meet the demand.

In addition to carefully maintaining motor vehicles, farmers should pool their rolling stock to the greatest practicable extent. They did a good job of voluntary pooling on farm machinery in 1943, and this experience will be helpful in promoting the pooling of trucks that haul the food and fibers to market.

Truck replacements.—There are not enough trucks—in the stock-pile and authorized for production—to maintain the existing fleet, which approximates 1,600,000 trucks used on farms for hauling products from farms to markets and supplies back to the farm.

Enough heavy trucks, especially in the heavier classes, are already authorized and in production for civilian use to provide a minimum replacement ratio, but only 1,500 of the heavy-heavy (above 20,000 GVW) trucks are scheduled for delivery in each of the first 2 quarters of 1944 and 2,734 for the third and the fourth quarters. Of the light-heavy trucks 500 are scheduled for delivery in the first quarter and 1,000 in the second quarter. The third- and fourth-quarter schedule of production will meet requirements somewhat better, provided axle and transmission facilities can be expanded sufficiently. The schedule calls for 6,424 for each of the third and fourth quarters. Medium trucks have a production schedule as follows: First quarter, 6,250; second quarter, 12,062; third quarter, 23,118; and fourth quarter, 23,120. All of these trucks are scheduled for manufacture, and their production will be consolidated with that of the military-truck program. The Army will expedite their delivery as it does its own program.

The foregoing schedule of planned production totals about 88,000 trucks for United States civilian use and represents a "must" program of medium- and heavy-truck construction for 1944. It is dependent upon expansion of production facilities to produce critical assemblies and components. It likewise depends upon the assembly and training of personnel to man these expanded facilities. Should the entire program be fulfilled in 1944, agriculture cannot expect to get more than a small fraction of the anticipated needs. No light trucks ($\frac{1}{2}$ -ton, $\frac{3}{4}$ -ton, and 1-ton) are now scheduled for production. Agriculture's need for this type of vehicle are heavy. The War Food Administration is emphasizing the necessity for making vehicles of

this weight as soon as possible, not only for farm use but for use in the distribution of food, especially milk and bread.

Truck parts.—The average age of the farm trucks now in operation is over 7 years. Parts will be needed in increasing numbers to keep the fleet in operation. The parts program is being vigorously pressed, but the ingenuity of the users of trucks must be enlisted to help keep trucks on the road.

Truck tires.—The truck-tire situation is critical. In large measure it is a tire-fabricating problem.

The War Production Board has approved a material expansion of facilities for making tires, because it takes longer to manufacture synthetic than crude-rubber tires. Additional manufacturing facilities will come into production during the year, but the rubber industry faces difficulty in finding and training help for the increasing replacement demand.

WATER TRANSPORTATION

Great Lakes grain movement.—In 1942, 114 million bushels of grain moved on the Great Lakes in vessels of United States registry. In 1943 the movement of grain for domestic consumption from the head of the Lakes to the Buffalo area in United States vessels was approximately 165 million bushels. In addition, Canadian vessels hauled about 25 million bushels for United States consumption, as well as a substantial amount for export.

Even with excellent cooperation from the grain trade and processors in its distribution, this increase in supply of water transportation was barely enough to meet the great increase in consumption of grains in the Northeast during 1943. With a fair movement of feed grains by rail from the Central States to the Northeast, stocks were built up at the close of navigation that should be sufficient to carry through the winter, but the margin will be narrow until the opening of navigation in 1944.

It is hardly conceivable that Great Lakes operating difficulties could be more unfavorable than they were in 1943. With present Lakes tonnage, it should be possible to move more grain in 1944, but the movement will probably be inadequate to meet the requirements, owing to Canadian rail-transportation difficulties in moving grain to the Canadian lakehead.

Measures were taken in 1943 to meet essential needs (principally for grain and iron ore) as far as possible by curtailing the Lakes movement of other important traffic and by throwing an additional burden upon the railroads. The WFA is working with ODT, WPB, and the War Shipping Administration to assure sufficient Lakes vessel tonnage to handle the grain movement in 1944.

Ocean and coastwise shipping.—This has been tight but is improving. With the progress of the ship-construction program, it may become advisable to assign additional vessels to coastwise and if possible to intercoastal movements, in order to relieve the burden on the rail carriers. During the last half of 1943, arrangements were made through WSA for a number of important movements to be handled by water, including the movement of sugar to North Atlantic ports and of grain from Vancouver to California ports.

Transportation of WFA commodities.—During 1943 the Food Distribution Administration delivered for all programs a total of nearly 5 million tons of agricultural and food products, as compared with about 3¼ million tons in 1942 and a little more than 2 million tons in 1941. Of the deliveries in 1943, 2,315,669 tons went to the British and 1,355,338 tons went to the Russians.

As a general rule the stocks held in warehouses by the Federal Surplus Commodities Corporation amount to about a 2 months' supply, although there is considerable variation among commodities in the ratio between storage stocks and deliveries. Many of the commodities have been so much in demand that they have been moved to shipside almost as fast as they were procured. In other cases, where the production is highly seasonal, the ratio between stocks and deliveries has varied a great deal at different times of the year. Immediately after the harvest season the warehouse holdings have been large, and they have tended to diminish throughout the year until the beginning of the next harvest.

General.—In addition to other activities mentioned, WFA has worked closely with ODT, ICC, and the railroads in assisting the movement of food products. This cooperation has included research, which has led to the publication of arrangements under which perishable products may be shipped in refrigerator cars in which only the upper half of the ice bunker is used. Charges for this service are based on 78 percent of the charges for full bunker refrigeration. This expedient has resulted not only in a large saving of ice but also in a considerable saving in money to the shippers.

On recommendation of the WFA, the railroads established reduced rates on used containers for fruits and vegetables, which apply from the north and central parts of the United States to the South and Southwest. This is a valuable contribution toward relief of the extremely serious container shortage. Arrangements were also made with the railroads to permit the storage, sorting, and sacking in transit of potatoes at all points in eastern United States. These arrangements helped substantially in moving that part of the record Maine crop for which the usual storage facilities were inadequate.

The WFA also appeared in behalf of producers and agricultural interests in a number of cases before the Interstate Commerce Commission, including Ex Parte 148, in which surcharges of 3 percent in rates on basic agricultural products and 6 percent on processed agricultural products were suspended until June 30, 1944. This action resulted in a saving of approximately 75 million dollars annually in agriculture's freight bill.

STORAGE AND ICE MANUFACTURE

Since most food products are seasonally produced for consumption throughout the year, proper storage policies and programs are an integral part of the food program. It is necessary to take steps to be sure that the proper quantities of food are stored to provide for the needs of the people throughout the year. Constant attention must be given to the adequacy of storage facilities. In general the supply of dry-merchandise storage has been ample, but problems have arisen in cold storage, grain storage, and ice manufacture.

Refrigerated warehousing.—With the increased production of perishable food throughout the country, demands have increased for cold-storage space. Transportation shortages likewise contribute to the need for adequate cold-storage facilities. In order to make certain that the existing supply of cold-storage space is adequate for all needs, several steps have been taken. A complete survey has been made of the total cold-storage capacity of the country, and reports are received twice each month showing the percentage occupancy of this space. The armed forces and the War Food Administration, which are important users of this space, have established a joint office in order to insure that the activities of the agencies are properly coordinated and that insofar as possible the Government agencies do not take space in areas where civilian needs are urgent.

The War Food Administration is moving substantial quantities of perishable commodities directly from inland points to shipside in order to avoid unduly congesting storage houses in the ports. Arrangements have been made to minimize cold-storage requirements by getting lend-lease nations to take a large proportion of their requirements during the peak of production. Orders have been issued which prohibit the use of cold-storage space for storing commodities that do not require refrigeration. In effect these orders establish priorities among commodities on the use of space. Of course, permits are given to store any such products in areas where surplus space might temporarily be available. In order to be sure that space is available to store perishable foods that need to be held, machinery has been set up through which people who cannot obtain space can get in contact with the War Food Administration, which has information on all the available space. Relief has thus far been afforded in most of these cases.

Through joint action with other agencies and individually, the War Food Administration has brought into use additional cold-storage facilities that were not being used before the war. An industry advisory committee has been created which is working very closely with the Administration in finding solutions to problems in particular areas and in fostering practices which make for the most efficient use of the facilities. It is expected that the action being taken will make it possible to store all perishable foods that are offered with a minimum expansion in facilities. However, the refrigerated warehouses in many cases are being prevented from operating to their capacity because of a lack of labor for handling the products. The situation is particularly acute in some of the port areas where rapid handling of the commodities is most necessary.

Priority applications have been carefully examined to be sure that construction is undertaken in areas of greatest need and provision of additional space has been encouraged in such areas. Careful application of critical materials has made it possible to bring into use with a minimum of expenditure of such materials cold-storage facilities that were not being used before the war. It is estimated that freezer-storage space was increased between 15 and 20 million cubic feet during 1943, and approximately the same additional amount is expected to be required during 1944. Although every effort has been made to use idle or second-hand equipment to the fullest extent and to improve the efficiency of operation of the plants, a very sizable amount of

new refrigeration and ice-making materials and equipment will be required. Programs for such materials and equipment have been set up for the coming year, and requirements to implement these programs have been certified by the War Production Board. Additional machinery, if available, could assist in relieving the labor situation by performing certain operations of labor. The War Production Board is being requested to release additional quantities of critical materials for the production of hoists, conveyors, and stacking equipment, to the full extent recommended. Much essential maintenance work of cold-storage plants, neglected or delayed during depression years, must be done now in order that sufficient space may be available to store perishable foods.

Grain storage.—During the 1942 season it was necessary to carry on an extensive program to provide adequate storage for the huge stocks of grain. In a few cases grain remained on the ground for short periods, and in many cases unsatisfactory storage facilities were used. However, by 1943 grain stocks had been reduced sufficiently so that the storage situation was less critical. While the War Food Administration continued the program of the previous year as a precaution against damage to the product through lack of storage facilities, the situation was not serious and grain stocks were fairly well housed. Of course, if the warehousing practices were improved in many of the grain-storage houses, there would be less deterioration and spoilage. About 20 percent of the commercial elevator space is now being supervised by the War Food Administration, with the consequent practical elimination of loss in these houses.

Dry storage.—General merchandise storage facilities appear to be adequate throughout the country, with the exception of a few temporary tight spots in some of the ports. The supply of this type of storage space is flexible, because abandoned factories and other buildings can very easily be brought into use when shortages of space develop in the regular commercial houses. Therefore, it is not anticipated that there will be any shortages of storage space of this kind for handling food products. Some of the cotton compressors are having difficulty with their storage and handling because of labor shortages occasioned by the pulling of labor away from their activities to the more lucrative employment of wartime industries.

Warehousing supervision.—In order to make sure that food and other agricultural products in storage are protected against loss from spoilage the War Food Administration is making regular inspections of all of the warehouses storing products which it has purchased for lend-lease and is also supervising the storage of about 20 percent of the grain, 50 percent of the cotton, and varying percentages of other commodities. In such times as these when no resources can be wasted the proper care of the Nation's storage stocks to prevent loss from spoilage takes on added significance. Products which are lost through fire or spoilage, or in any other manner will be urgently needed for our own consumption or that of our allies, and the supervision that is being given some warehouses is a wise investment in protecting the Nation's supplies. The extension of this supervision would effect considerable reduction in the spoilage of farm products, but personnel and funds are not available for expanding the work.

Ice manufacture.—Because of increased crop production, unusu-

ally hot weather, labor shortages, and increased civilian and military population, ice shortages have occurred in the southeastern, southern, and southwestern parts of the country, and isolated shortages in other sections. The Interstate Commerce Commission found it necessary to issue a number of orders restricting the use of ice in refrigerator cars. Truckers and others needing ice for the preservation of food were in a number of cases unable to get it. In a few areas hastily developed rationing systems were put into effect. While circumstances may be different during 1944, if labor continues to be drawn away from ice manufacture further difficulties may be encountered. A survey of shortage areas has been made in those areas where the previous facilities were not adequate for meeting wartime needs. Much essential maintenance of facilities, neglected or delayed during depression years, must be done now in order that ice may be manufactured in sufficient quantities to meet prospective needs.

FISHERY WAR FOOD PROGRAM

PRODUCTION OF FISHERY PRODUCTS

The fisheries of the United States and Alaska normally produce between 4 and 5 billion pounds of fish and shellfish annually. Much of this yield is consumed directly as human food; the remainder is converted into such essential byproducts as vitamin oils, livestock and poultry feeds, fertilizers, and industrial oils.

The normal responsibilities of the Department of the Interior include the conservation, development and management of this huge natural resource. Wartime needs for abnormal increases in food supplies have heightened the significance of this multiple responsibility.

The President, in December 1941, established the Office of the Coordinator of Fisheries and appointed the Secretary of the Interior Coordinator. In February 1943 the Secretary of Agriculture delegated to the Secretary of the Interior the sole responsibility for increasing the production of fish and shellfish and the output of processed fishery commodities under the war food program. This authority carried with it the determination of requirements of critical materials for this production, and the screening of all applications and recommendations for priorities needed by the fishing industry for developing and sustaining adequate production.

Fishery products are being used freely as a main source of protein or as a supplementary protein to balance the deficiencies of the cereal proteins which are included in the average diet. The high nutritive quality and digestibility of fish proteins class fish among the more desirable food products. Besides being excellent sources of highly available proteins, some fishery products also are rich sources of vitamins. Furthermore, fish contain a variety of minerals in quantity and quality, and some species have high fat values.

In 1943 war and civilian needs required a production of over 6 billion pounds of fishery products. Loss of vessels, lack of manpower, restricted fishing areas, and scarce materials combined to hold the final total to about 4 billion pounds, an achievement greater than that of the previous year, but far short of the goal. Yet 1943 was a year rich in returns to fishermen, who received about 180 million dollars for their catch. This represented an average ex-vessel price of $4\frac{1}{2}$ cents per pound for all varieties, an increase over 1942 of 8 percent in the catch, 16 percent in value, and 7 percent in average price per pound to the fishermen.

For the 1944 season the situation should improve again. If the fish are there to be caught—and the biological factor is one which is difficult to predict—an increase of 250 million pounds of fishery products and a catch of $4\frac{1}{4}$ billion pounds may reasonably be expected. There are sound reasons for the expected increase.

There should be no repetition of the disputes and vessel tie-ups that resulted in heavy losses in 1943. The manpower situation should be little if any worse.

The diminution in U-boat activity reopens vast areas to fishing. Stringent port restrictions, prohibition of dusk-to-dawn fishing in

certain areas, and sealed radios cut into the previous year's catch, but these regulations are being gradually modified. Owing to the extent of the Navy's construction program and the rapidity with which much of it has been completed, it has been possible to arrange for the return of a substantial number of vessels which had been requisitioned for war service. It appears likely that the rate of return will be accelerated in 1944.

The production of basic materials has grown to such an extent that it has been possible to obtain materials for the construction of nearly 600 new vessels. Some of these craft have already been added to the fishing fleet, and most of them will be in service before July 1. Marine engines may be tight during the first quarter of 1944. It appears, however, that an adequate number will be available for powering those fishing vessels whose construction has been approved.

There has been an improvement in the supply of nets owing to the cancelation of most of the Army contracts for camouflage netting. Sufficient fuel and food supplies will be obtainable for genuine needs, and many other minor requirements will be more easily satisfied in 1944.

To assist the industry in meeting its production goal, continuous investigations are underway to improve and develop methods for catching, handling, preserving, storing and transporting fishery products and byproducts.

This research, together with expanded statistical and marketing information, and the immediately available services of the field staff of the Office of the Coordinator of Fisheries is aiding the industry to overcome its wartime difficulties and to produce, ship, and market the greatest possible volume of fishery products in 1944.

DISTRIBUTION OF FISHERY PRODUCTS

While certain responsibilities with respect to the fishery program were delegated to the Secretary of the Interior by the Secretary of Agriculture in February 1943, other important functions of this program have been retained in the War Food Administration. Most important of these functions thus retained is the entire distribution program, including the procurement of various fishery products for Government use.

It is now anticipated that the distribution of the 1944 fish catch will follow the pattern that generally obtained in 1943. The Government will take a certain percentage of the pack of canned fish; Government requirements for fresh and frozen fish will be met through purchases in the open market; and cured-fish requirements of Puerto Rico and the Virgin Islands will continue to be met through public purchases with distribution through trade channels in the Islands.

The supplies of cured fish for both Caribbean and continental United States use will largely come from Canada and Newfoundland and will be assured through a continuation of international allocation, such as was developed in 1943. An extension of the present import order should assure equitable distribution of the continental United States share among United States dealers and civilians. The balances of canned, frozen, and fresh fish remaining after Government requirements have been met will follow the usual pattern of distribution, with Government agencies attempting to channel the products into usual points of consumption.

THE WORLD FOOD SITUATION

The United States food program must be examined in focus with the world food situation. Our food supplies and requirements must be geared with United Nations food supplies and requirements, just as our military resources and strategy must be geared with those of the United Nations.

Food production in 1943 in the Western Hemisphere, the British Dominions elsewhere, and the United Kingdom has been materially higher than in any previous year; but in continental Europe, including European Russia, production is reduced. The level of world production as a whole may be somewhat higher, or, at any rate, not materially different, from that of before the war.

This large production will include a somewhat larger than usual percentage of livestock products in the surplus food exporting countries of the United Nations. The reverse will be true in the United Kingdom. There the effort is to get the maximum food nutrients from the available human and natural resources, and controlled production there has resulted in growing more of the crops that are directly consumed as food rather than of those that are fed to livestock. While Britain has greatly increased its total food production, including production of fluid milk, the British production of other dairy products, of poultry and eggs, and of meat animals has been reduced.

As for actual food supply, in the areas accessible to the United Nations, the total food production and the existing transportation facilities are apparently adequate to meet the present food-rationing schedule in those countries which are under rationing, except in Russia, and to meet the usual food requirements of those countries that are not under food rationing.

For 1944, food production in the non-Axis countries, assuming average weather conditions and assuming adequate price assurances to producers, will probably be as large as that of 1943. It will include a larger proportion of the direct-consumption food crops.

In the Axis-controlled countries the total over-all food production this year will probably be adequate to meet the relatively low wartime standards of requirements, but because of transportation difficulties and uneven distribution of the total supply, there will be serious shortages in some particular areas of those countries. In the Axis-controlled countries there will be a much larger than usual proportion of direct-food crops.

In considering the responsibility of the United States in helping to meet food requirements of the United Nations, it should be kept in mind that the United States is not the food basket of the world. At the recent meeting of the UNRRA Council it was agreed that the United States would be expected to supply only its appropriate share.

So far other nations have been the source of the supply for most of the wheat and flour and all of the sugar, coffee, cocoa, salted fish, and nitrogenous fertilizers that have been shipped to the United

Kingdom, the Soviet Union, and other United Nations deficit areas.

Other nations than the United States have supplied about three-fourths of the fats and oils, most of the butter, and about two-thirds of the meat, rice, and potassic fertilizers. Only in the case of dried eggs, canned and dried milk, soluble phosphatic fertilizer, and certain vitamin materials does the United States provide the bulk of supplies.

REQUIREMENTS FOR LIBERATED AREAS

A principal problem facing the United Nations is that of adequate reserves of food for the liberated countries. The President has stated that our food responsibilities are likely to increase as we occupy additional territories and that we must be prepared to share with those who, without our help, might be faced with want. He added that everything that we in the United States can do to increase production and make distribution more efficient will further our objective.

At this date and in view of the unknown number of countries that will be liberated during 1944, it is difficult to make definite estimates of requirements for 1944 and 1945, but they will be substantial, even if only part of Europe is occupied and if a minimum dietary of only 2,000 calories a day is provided.

Most of the estimated relief requirements were taken into account in developing the United States production goals for 1944. In the case of beans, fats and oils, wheat, sugar, fish, potatoes, meat, and dairy products it has been assumed that sources outside of the United States must be tapped for additional supplies, if European relief requirements are to be met satisfactorily.

In the case of beans, the United States production goals assume the availability, mostly for European relief, of 6 million bags of foreign-produced beans.

The total United Nations supply of fats and vegetable oils (excluding butter) is expected to be slightly larger in 1944 than in 1943, but the increase will be materially inadequate if it is necessary to supply a large number of liberated areas.

The United States became a substantial importer of wheat in 1943 and promises to continue to be a large importer in 1944 due to the greatly increased utilization of wheat for feed and industrial alcohol as well as for food. Under the International Wheat Agreement the United States share of the 100-million-bushel relief pool established in 1942 amounts to 50 million bushels.

Despite the expanded production goal for 1944 no increase in supplies for export for relief is expected unless (1) yields considerably above average are attained and (2) the livestock-feed and industrial-alcohol programs are sharply curtailed. Accordingly it is quite apparent that other countries having surplus wheat will need to be called upon to supply the major quantity of wheat moving into the liberated areas.

Since the United States depends to a large extent on imports of sugar to meet domestic needs, no provision was made for relief requirements in the United States production goals.

Only a part of the relief requirements for fish is included in the United States production goals, it being assumed that the balance will be obtained elsewhere.

Similarly only a part of the requirements for potatoes is included in the United States production goals figures. Limited dehydration facilities here suggest an effort to meet requirements either from production in Britain or continental Europe itself.

The United States clearly cannot supply all of the meat required for European relief. Since it is not possible to increase foreign production to meet the balance, if substantial relief requirements materialize they can probably be met only by reducing supplies to United States and United Kingdom civilians, and by substituting vegetable proteins in the form of beans.

EXPANDING FOREIGN FOOD PRODUCTION

Food requirements for the liberated areas are greater than the United States alone can supply. But the United States has a share of the responsibility for seeing that at least a minimum quantity of food is provided. Hence, in addition to providing as much as we can from our own resources, we must make every reasonable effort to see that food production in foreign countries is expanded to help meet the requirements of the liberated areas.

It is necessary, then, to decide (1) in what foreign areas the United States should take the lead in this effort, (2) what particular products are most needed for relief use, and (3) which combination of areas and products would seem to offer the best results.

As for areas, through decisions already taken as a result of the Combined Food Board's recommendations, responsibility for obtaining maximum supplies from most of the world's food-producing areas has been allocated either to the United States or the United Kingdom. This includes the responsibility for encouraging increased production where feasible. The United States has been given this responsibility in Latin America in the case of most commodities, as well as for fats and oils in Portuguese Africa, Liberia, and the French Pacific islands and Tahiti.

In the case of Canada, where considerable increases have resulted, the United States works closely with the Canadian authorities through a standing joint commission established for this purpose. In the liberated areas, of which North and West Africa are now of the most importance, the responsibility is exercised by combined allied committees, which are now actively increasing production.

As for products to which attention may profitably be given now, the list is limited by some practical considerations, which include the feasible production possibilities of the product, its shipability and its adaptability for relief uses. The list may be reduced to only five categories, namely, oilseeds, edible legumes, cereals (particularly wheat), sugar, and salt fish. Of these, the supply of wheat is in excess of shipping possibilities, the problem being transportation, both internal and external, rather than increased production. There are shortages in the other four categories, but considerably larger supplies may be secured in foreign areas that have demonstrated an ability to produce in the past.

While the animal proteins are very much to be desired they are now in short supply relative to even nonrelief requirements, and

there seems to be little possibility of a substantial increase in production over the 1943 level.

Efforts to increase the production of salt fish, oilseeds, and edible legumes should be carefully limited to those countries where these crops have been efficiently produced, in exportable quantities, in the past. These are the areas which have the technical experience, the equipment, and various natural conditions for producing the commodities mentioned, at prices in line with prices paid to United States producers. Moreover, expansion in these areas would cause minimum economic and social dislocations after the war.

Salted fish.—A substantial increase in the 1944 production of salted fish for the United Nations and free neutrals could be effected if additional manpower and equipment were available. The principal countries producing salted fish are Newfoundland, Canada, Iceland, Greenland, St. Pierre, and Miquelon.

The world supply in 1939 of 400 million pounds was more than three times the 1943 output of 122 million pounds available in non-Axis areas.

Operations have been curtailed in the Newfoundland area until recently because of the demands for manpower for the construction of air bases there, and fishing boats are not now working over the deep Grand Banks area to any great extent, because of naval restrictions and submarine danger.

Production could be increased by adding dragger or trawler boats to the Canadian fleet and by supplying certain kinds of marine engines in Newfoundland. A release by naval authorities of fishing vessels not urgently needed also would help materially. Other needed equipment is netting and gear.

The liberation of Norway would greatly increase the supply of salted fish for the United Nations. Norway in 1939 produced about 92 million pounds of salted ground fish and nearly 85 million pounds of salted or pickled herring.

For the present it would seem practical to concentrate assistance, mainly in the form of equipment and manpower, in the proved production areas, such as Newfoundland and Canada. The United States is in a position to help, if it becomes feasible, by diverting marine engines and other equipment from military service.

Fats and oils.—Because of the shortage of fats and oils available to the United Nations in 1942-43, efforts have already been made to further the expansion of vegetable oilseeds. The British have set up production goals in British West Africa, and joint Anglo-American developments in French West Africa are expected to make available large quantities during 1944. The United States is already encouraging an expansion in oilseed production in several Western Hemisphere countries. It is believed, however, that additional efforts would result, under normal weather conditions, in even greater production in 1945.

A survey of Latin American countries has already been made to determine areas where potential expansion is feasible. This study reveals that the greatest and most efficient results could be obtained in Argentina, followed by Brazil and Mexico.

The Argentine mills have sufficient capacity to crush an increased quantity of sunflower and peanut oilseed, provided they are not engaged in crushing flaxseed for supplying local fuel needs. It is particularly important that the sunflower seed be crushed in Argen-

tina, on account of the bulkiness of the seed and the low feed value of the residue. It is probable that the United Nations can utilize a large part of the exportable surplus of flaxseed and all peanuts, in order to procure additional protein feed, as well as vegetable oils. As long as Argentine farmers are assured of a market for their oilseeds, it is believed that as much as 100,000 tons of edible vegetable oils, including the oil content of seeds, can be obtained above the 1943 exports from this area, in addition to the normal exports of flaxseed or linseed oil, provided that product is not required for local fuel consumption.

Further expansion of peanut production in the southern States is feasible in Brazil. This crop was expanded materially there in 1943, but the native population found the oil to their liking and none was available for export. If the price for the oil were guaranteed, as has been done in Argentina, it is believed Brazilian farmers would expand their peanut acreage to an extent that would provide a supply of oil beyond domestic requirements. Sufficient crushing facilities are available in southern Brazil. The importance of getting babassu kernels from the large supply in the Brazilian hinterland needs to be stressed, in order to facilitate greater exports of this commodity. Brazilian castor-beans have already been made available in larger quantities than we require, but it is expected that the current level of production will be approximately maintained.

Mexico, which was a deficit fats and oils area prior to the war, is expanding oilseed production in order to be self-sufficient. With further encouragement, this country will be able to export small quantities of flaxseed, peanuts, and castor-beans in 1944 and 1945. Ample crushing facilities are available in Mexico to take care of an increased production for Mexican consumption, but most of the exports will be in the form of seed. Some mills, undoubtedly, may need repairs. One should not expect phenomenal exports from Mexico, however, because extensive farming there is very limited.

Canada, during 1943, materially increased its oilseed production—primarily flaxseed, and in a small way its production of soybeans, sunflower seed, and rapeseed. The total quantity of oilseeds available for export from this year's harvest will about balance Canada's import requirements.

Whaling in the Antarctic could contribute substantially to the supply of animal fats. Expeditions should be prepared for the 1944-45 season, because whale oil will be useful for meeting anticipated relief requirements in Europe.

Edible legumes.—Increased acreage in foreign countries of beans, peas, and other legume crops can best be obtained where production for export has already been established, because the necessary experience, labor, equipment, and marketing machinery are in existence there. French North Africa, Chile, Canada, Mexico, and Brazil offer the best opportunities.

French North Africa has long been a major exporter of broad beans, chickpeas, peas, and lentils. A goal for production in 1944 has been suggested which if realized will result in an export surplus from this area of 70,000 tons of broad beans, 40,000 tons of chickpeas, 35,000 tons of peas, and 10,000 tons of lentils. Plantings during the winter, however, did not come up to the goals. To obtain

the desired quantities, it probably will be necessary to give assurances of a market with price supports and assistance in the procurement of some farm machinery, repair parts, and fuel.

Chile, for many years has been a large exporter of white beans, peas, and lentils and has facilities for greatly expanded production. Normal production is about a million and a half bags, with exports averaging about 750,000 bags. Recently production has reached the 2-million-bag level and can probably go as high as 2½ million bags. It would be helpful to give assurances as to markets and price supports, which could be done through purchase agreements. Negotiations are now under way with Chile to purchase exportable surpluses of beans and peas.

THE ROLE OF THE INDIVIDUAL CITIZEN

In the preceding chapters the food program for 1944 has appeared chiefly as a combination of agricultural processing, distributive, and administrative activities. It has taken form in terms of estimated food requirements, of farm production capacity, of farm goals, of price-support activities, and of measures for assuring necessary labor, materials, and facilities for processing, storage, and transportation. But these items do not sufficiently emphasize the role of the individual citizen. Action on the food front does not stop with production, though increased production is the first and most important need. It extends over the whole vast process from the farm to the military mess kit and the civilian table, and binds together the farms, the manpower to work them, the provision of necessary farm implements and supplies, the movement of products to concentration points, the equipment and operation of food product factories, and the final distribution through military, civilian, and lend-lease channels. In each of these stages the individual citizen has a responsibility.

Under the slogan "Food Fights for Freedom" the WFA and cooperating agencies of the Government have called for action from the people as farmers; as participants in community action to solve local difficulties with regard to labor mobilization, transport, storage, and kindred matters; as willing cooperators in rationing and food-price stabilization; as sharers of foods and also of scarce production facilities; as Victory Gardeners; and as conservers of food, through canning and other methods of preserving foods, and also through determined avoidance of waste.

Mainly, in its call to the individual citizen, the Government emphasizes production, conservation, food sharing through rationing, application of nutrition principles, the substitution of plentiful for scarce foods, and the observance of price ceilings. It asks the help of consumers, of professional and nonprofessional groups, and of community organizations, so that the food program will have direction, inspiration, and continuity not only at the primary farm sources but also at all points in the chain of sales, transportation, processing, packing, storing, wholesaling, retailing, and distribution through military, civilian, and lend-lease channels. Not to be forgotten are the functions of delivery, cooking, and service, in which individual citizens have opportunity for avoiding waste and increasing the palatability and value of food items. Teamwork of this kind will increase in importance, because the strain on the food supply will be severe as long as the war continues and will increase the nearer we get to victory.

Programs to develop broad social cooperation in the war food effort will be continued vigorously, as the basis for Nation-wide activity both individual and collective. We have had the effective cooperation of the press, the radio, the advertisers of the Nation, and the food

trades. The War Advertising Council has been of the utmost assistance. The civic groups and schools of the Nation have joined forces with us. Other agencies of the Government, especially the Office of War Information, the Office of Civilian Defense, and the Office of Price Administration, have been in full cooperation. This program of information that will enable every citizen to play his part in the war food program will continue on an ever broader basis in 1944.

APPENDIX

A. SUPPORT PRICES

The Food Administrator on March 4 announced the 1944 schedule of support prices for farm products.¹ It is substantially the same as proposed on January 26 for most products, on February 18 for canning vegetables, and on February 17 for hay and pasture seeds. These proposals were made contingent upon action by the Congress making provisions for carrying out the support price program. The action has been taken and the price schedules now become effective.

It is planned to carry out the support price programs through loans, purchases of commodities for military, Lend-Lease, and other Governmental uses, and, for some commodities, direct payments to farmers or processors.

The support price programs will include the loans required for the basic commodities—corn, wheat, cotton, rice, and tobacco—by the Act of October 1, 1942.

The complete support price program announced today is here summarized:

Hogs.—As previously announced, the War Food Administration will support, during the period ending March 31, 1945, designated prices for Good to Choice butcher hogs (barrows and gilts) of specified weights. For the Chicago, Illinois, market the designated support prices for these grades of hogs, weighing 200 to 270 pounds (temporarily increased to 330 pounds), for the period ending September 30, 1944, is \$13.75 per cwt., and for the period October 1, 1944, through March 31, 1945, for hogs weighing 200 to 240 pounds \$12.50 per cwt. The support prices at other markets will be at such differentials from the Chicago market as are specified in Food Distribution Order No. 75. In addition, as was announced on January 24, Good to Choice butcher hogs weighing 270 to 330 pounds would also be supported for a limited period of time at \$13.75 per cwt. Chicago basis.

The War Food Administration will purchase federally inspected pork products at prices which will enable slaughterers to pay not less than the designated support prices for hogs. Food Distribution Order No. 75 requires all slaughterers to pay not less than the support prices for hogs. As an additional price support measure, the Reconstruction Finance Corporation stands ready to withhold slaughter payments from any slaughterer who purchases hogs below the support prices during the period for which such payments are provided.

Corn.—Nonrecourse loans at 85 percent of the parity price as of October 1, 1944, will be made available to farmers on farm-stored corn grading No. 3 or better except for moisture content. Specific loan rates for different locations will be announced at a later date. The loans will be available from December 1, 1944, to June 30, 1945, and will mature on September 30, 1945, or earlier upon demand.

Wheat.—Nonrecourse loans at 85 percent of the parity price as of July 1, 1944, will be made available to farmers on wheat stored on farms or in warehouses. A specific schedule of loan rates, with differentials for location, grade, and quality, will be announced at a later date. The loans will be available until December 31, 1944, and will mature on April 30, 1945, or earlier upon demand.

The War Food Administration will also buy wheat at the loan rates from farmers who are unable to ship to their normal markets, provided local storage is not available and the Administration owns bins in which the purchased wheat may be stored.

¹ This schedule of support prices, announced March 4, became available while the report on The Food Program for 1944 was still in the hands of the printer. It was therefore possible to include the schedule as Appendix A.

Cotton.—Nonrecourse loans on American Upland cotton produced in 1944 and stored on farms or in warehouses will be made available to farmers at 90 percent of the parity price as of August 1, 1944. The basis loan rate will be for Middling $\frac{7}{8}$ -inch cotton, with appropriate premiums and discounts for other qualities and differentials according to location. The schedule of premiums and discounts was announced on March 3. Specific loan schedules will be announced at a later date. The loans will be available until May 1, 1945, and will mature July 31, 1945, or earlier on demand.

Rice.—Nonrecourse loans at 90 percent of the parity price as of August 1, 1944, will be made available to farmers and cooperative associations on rough rice stored on farms or in warehouses. Specific loan rates with differentials for location to variety, grade, and milling quality will be announced at a later date. The loans will be available from September 1, 1944, to February 28, 1945. They will mature on June 30, 1945, in Southern States and on July 31, 1945, in California, or earlier upon demand.

Tobacco.—Tobacco of the 1944 crop will be supported at prices to farmers equivalent to 90 percent of the parity price as of the beginning of the marketing year (July 1, 1944, for flue-cured tobacco and October 1, 1944, for other types). The War Food Administration will make nonrecourse loans available to producers and cooperative associations at the support prices on tobacco stored in warehouses. In addition, the Administration will purchase tobacco through dealers as required for governmental purposes.

Soybeans.—Soybeans produced in 1944 will be supported at a price to farmers of \$2.04 per bushel for green and yellow soybeans grading No. 2 or better, with 14 percent moisture content, delivered to country elevators or other normal producer delivery points. Premiums will be provided for lower moisture content and discounts for lower grades. Support prices will be 20 cents per bushel lower for brown, black, and mixed soybeans.

Nonrecourse loans will be made available to farmers at the support prices. The loans will be available until January 31, 1945, and will mature on April 30, 1945, or earlier upon demand.

The War Food Administration will also offer to purchase soybeans at the support prices through terminal and other elevators and to enter into price-supporting contracts with processors under which processors will agree to pay not less than the support prices for soybeans purchased by them, and the Administration will agree to make soybeans available for processing at prices based upon applicable ceilings.

Flaxseed.—Support prices for U. S. No. 1 flaxseed will be based upon \$2.95 per bushel at Minneapolis, Chicago, and Portland, \$3 per bushel at Los Angeles, and San Francisco, Calif., \$2.85 per bushel at Emporia and Fredonia, Kans., and \$2.80 per bushel at Corpus Christi, Harlingen, and Houston, Tex. Support prices for flaxseed grading U. S. No. 2 will be 5 cents per bushel less. The support prices at local markets will be the applicable terminal price less freight and handling charges.

Nonrecourse loans on flaxseed stored on farms or in warehouses will be made available to farmers at the support price levels. The loans will be available until October 31, 1944, on California and Arizona flaxseed and until January 31, 1945, on all other flaxseed. The loans will mature on demand but not later than March 31, 1945, for California and Arizona flaxseed and not later than June 30, 1945, for all other flaxseed.

The War Food Administration will also offer to purchase linseed oil and meal from processors who agree to pay not less than the announced support prices for all flaxseed purchased by them.

Peanuts.—Peanuts produced in 1944 will be supported at base prices to farmers of \$160 per ton for Spanish, Virginia, and Valencia types and \$145 per ton for Runner types. These base prices are for peanuts having a sound, mature kernel content of 65 percent in the case of Virginia, Valencia, and Runner types and 70 percent in the case of Spanish types. Premiums and discounts will be established for other qualities.

The War Food Administration (which will be the only authorized buyer of 1944 crop peanuts) will enter into price-supporting contracts with shellers, crushers, and producer cooperative associations under which they will agree to purchase peanuts from farmers for the account of the Administration at not less than the support prices, and the Administration will agree to make peanuts available for processing and distribution at prices based upon applicable ceilings. The Administration will also make loans on farmers' stock peanuts available through cooperative associations.

Sugar beets.—The War Food Administration will enter into price supporting agreements with sugar beet processors under which the Administration, through the processors, will assure farmers \$3.00 per ton over the price received for 1942 crop sugar beets of standard quality (16.5 percent sucrose). This price support payment will be applicable to sugar beets delivered to the processors at the usual delivery points. It is estimated that total returns to growers from the 1944 crop, including payments under the Sugar Act of 1937, will average around \$12.50 per ton for sugar beets of the average quality of recent years.

Louisiana sugarcane.—The price support program for the 1944 crop of Louisiana sugarcane was announced on August 28, 1943. Under this program the War Food Administration will enter into agreements with sugarcane processors under which price support payments of about 85 cents per ton of sugarcane will be made to producers through the processors. It is estimated that total returns to growers for 1944 crop sugarcane of average quality will average about \$6.45 per ton in the case of small growers and about \$6.25 per ton for all Louisiana growers.

Dry edible peas—smooth types.—During the period ending June 30, 1945, the War Food Administration will purchase 1944 crop smooth type dry peas of the varietal types Alaska, Bluebell, Scotch Green, First and Best, Marrowfat, Colorado White, and White Canada, which are offered for sale pursuant to procedures which it will announce. Purchases will be made in carload lots, cleaned and bagged, f. o. b. cars at country shipping points at the following prices: US No. 1 grade, \$5.65 per hundred pounds; US No. 2 grade, 5.40 per hundred pounds. The WFA may refuse to accept offers from dealers whose cleaning and handling margin is in excess of the maximum rate approved by it.

The Administration will make non-recourse loans available to producers on smooth type dry peas of the varietal types Alaska, Bluebell, Scotch Green, First and Best, Marrowfat, and White Canada, which are stored on farms or in warehouses, provided warehouse charges are prepaid through April 30, 1945. The loan rates will be \$4.50 per hundred pounds for US No. 1 and \$4.25 per hundred pounds for US No. 2. Loans will also be available on thresher-run peas at \$4.00 per hundred pounds on net weight of sound whole peas, plus split peas and cracked seed coats not in excess of the amount permitted in US No. 2. Thresher-run peas containing more than the maximum limits of bleached and other classes permitted under US No. 2 will not be eligible for loan. Growers will obtain loans through county agricultural conservation committees.

Dry edible peas—wrinkled types.—During the period ending June 30, 1945, the War Food Administration will purchase 1944 crop wrinkled type dry peas of the varietal types Alderman, Perfection, Profusion, Surprise, and Thomas Laxton which are grown for canning purposes under contracts approved by State agricultural conservation committees but which, for various reasons, can not be canned. Purchases will be made in carload lots, cleaned and bagged, f. o. b. cars at country shipping points, at the following prices: US No. 1 grade, \$3.50 per hundred pounds; US No. 2 grade, \$3.25 per hundred pounds.

Blackeye peas—Southern.—During the period ending June 30, 1945, the War Food Administration will purchase 1944-crop blackeye peas produced in the Southern States, which are offered for sale to the War Food Administration pursuant to procedures which it will announce. Purchases will be made in carload lots, cleaned and bagged, f. o. b. cars at country shipping points, at the following prices: U. S. No. 1 grade, \$5.75 per hundred pounds; U. S. No. 2 grade, \$5.60 per hundred pounds; U. S. No. 3 grade, \$5.35 per hundred pounds.

Blackeye beans—California.—The support prices for blackeye beans produced in California, cleaned and bagged, in carload lots, f. o. b. cars at country shipping points, will be \$6.375 per hundred pounds for U. S. No. 1, \$6.225 per hundred pounds for U. S. No. 2, and \$5.975 per hundred pounds for U. S. No. 3. The War Food Administration will offer price supporting contracts to country shippers under which (a) the shippers will agree to pay the growers for thresher-run beans not less than the support price minus agreed margin for cleaning, bagging, labeling, and merchandising, and (b) the Administration will agree to make beans available to the shippers to be sold for civilian consumption at applicable ceiling prices.

Dry edible beans.—During the period ending June 30, 1945, the War Food Administration will purchase certain designated varietal types of 1944-crop dry edible beans when offered for sale to the Administration pursuant to procedures which it will announce. Purchases will be made in carload lots, cleaned and bagged, f. o. b. cars at country shipping points, at the following prices for U. S. No. 1 grade beans: \$8.00 per hundred pounds for Light Red Kidney, Dark Red Kidney, and Western Red Kidney; \$7.50 per hundred pounds for Limas and

Baby Limas; and \$6.50 per hundred pounds for Pea, Medium White, Great Northern, Small White, Flat Small White, Pink, Pinto, Cranberry, and Small Red beans; U. S. No. 2 grade beans of the above varietal types will be purchased at 15¢ per hundred pounds less than the prices for the U. S. No. 1 grade. The Administration may refuse to accept offers from dealers whose cleaning and handling margin is in excess of the maximum rate approved by it.

The Administration will offer price supporting contracts to country shippers under which (1) the shippers will agree to pay the growers for thresher-run beans not less than the support price minus the agreed margin for cleaning, bagging, labeling, and merchandising, and (2) the Administration will make beans available to shippers to be sold for civilian consumption at the applicable ceiling prices. The margins will be established by area, by agreement between growers and shippers.

The Administration will purchase thresher-run beans through County Agricultural Conservation Committees at the support price minus the agreed margin where growers are unable to market their beans through trade channels at the support price minus the agreed margin.

The Administration will also make nonrecourse loans available on thresher-run beans stored on farms or in warehouses provided warehouse charges are prepaid through April 30, 1945. The loan rates will be \$5.50 per hundred pounds for U. S. No. 1, \$5.35 per hundred pounds for U. S. No. 2, and \$5.10 per hundred pounds for U. S. No. 3. Beans which have a moisture content of 18 percent, or which, after cleaning, will contain defects in excess of 10 percent, will not be eligible for loan. Growers will obtain loans through County Agricultural Conservation Committees.

Potatoes.—Support prices on the 1944 crop of potatoes will reflect not less than 90 percent of the parity price calculated as of January 1, 1944, for early and intermediate potatoes and July 1, 1944, for the remainder of the crop. Specific schedules of prices by area, grade, variety, and month will be announced at a later date. The support prices will be effective at the shipping point level on potatoes graded, sacked, and loaded f. o. b. cars. The War Food Administration will offer price supporting contracts to dealers who agree to pay not less than support prices for the potatoes they purchase from farmers.

The Administration will also make loans on potatoes stored on farms or in warehouses available to farmers and cooperative associations, and to dealers who pay farmers not less than the support prices. Loan rates will be less than the support prices by amounts representing the cost of grading, sacking, and loading the potatoes.

The price supporting loans and contracts will be supplemented, if necessary, by purchases in carload lots for relief purposes and by the diversion of surplus potatoes to the manufacture of starch.

Eggs.—During the period ending December 31, 1944, the War Food Administration will support prices to producers for eggs at 90 percent of the parity price, but in no event less than specified prices which will be announced from time to time, and which will reflect not less than a United States average farm price of 30 cents per dozen in the spring and early summer and an annual average United States farm price of 34 cents per dozen.

Detailed announcement giving support price schedules for specified periods were released January 25 and February 29.

Chickens (excluding broilers and chickens weighing less than 3 pounds live weight) and turkeys.—During the period ending December 31, 1944, the War Food Administration will support prices to producers of chickens (excluding broilers and chickens weighing less than 3 pounds live weight) and turkeys at 90 percent of the parity prices, but in no event less than specified prices which will be announced at a later date. The methods of support will also be announced at that time.

Milk and butterfat.—During the period ending December 31, 1944, the War Food Administration will support returns to producers for milk and butterfat at levels of not less than 30 cents per hundred pounds for whole milk or 4 cents per pound for butterfat above the returns which will be reflected by the following prices for butter, cheese, and skim milk powder:

Butter, U. S. Grade A or 92 score, 46 cents a pound, Chicago, Ill., basis.

American cheddar cheese, U. S. Grade A or No. 1, 27 cents a pound, Plymouth, Wisc., basis.

Skim-milk powder, U. S. Extra Grade, spray 14½ cents and roller 12½ cents a pound, f. o. b. midwest plant basis.

This support program will be carried out by the following operations:

Butter.—Creamery butter will be purchased during the calendar year 1944 at prices equivalent to 46 cents a pound for U. S. Grade A or 92 score, Chicago, Ill., basis. Purchases at points other than Chicago will be at appropriate differentials from the Chicago price. Actual purchase prices will be the above less the amount of any subsidy paid to butter processors. The purchase program will be operated by means of open offers to purchase creamery butter offered in carlot quantities. Purchases will be made by the Administration direct or through the Dairy Products Marketing Association acting as agent for the Administration.

Cheese.—American cheddar cheese will be purchased during the calendar year 1944 at prices equivalent to 27 cents a pound for U. S. Grade A or No. 1 cheese, basis Plymouth, Wisconsin. Purchases at all places other than Plymouth will be at appropriate differentials from the Plymouth price. Actual purchase prices will be the above less the amount of any subsidy paid to the manufacturers of American cheddar cheese. The purchase program will be operated by means of open offers to purchase cheese offered in carlot quantities. Purchases will be made by the Administration direct or through the Dairy Products Marketing Association acting as agent for the Administration.

Skim-milk powder.—Skim milk powder of U. S. Extra Grade will be purchased during the calendar year 1944 at a price of 14½ cents a pound for spray process and 12½ cents a pound for roller process, f. o. b. midwestern plants, and in other areas at appropriate differentials from these prices. The purchase program will be operated by means of open offers by the Administration to purchase skim-milk powder in carload lots.

Other manufactured dairy products.—Other manufactured dairy products, including evaporated milk and whole-milk powder, will be purchased from time to time during the calendar year 1944, to the extent necessary to meet lend-lease and similar requirements. Such purchases will be made by the administration at prices comparable to those for butter, skim-milk powder and cheese, but not to exceed ceiling prices established by the Office of Price Administration.

Marketing agreement programs.—It is contemplated that the Federal Order and Marketing Agreement Program, now operating in 22 major fluid markets, under the Agricultural Marketing Agreement Act of 1937, will be continued.

Production payments.—Payments with respect to milk or butterfat made directly to producers and those paid to handlers in certain fluid milk markets have been announced for the months through April 1944. Announcements will be made later covering rates for subsequent months.

Fruits for processing.—In order to encourage the utilization of prospective 1944 fruit supplies in accordance with requirements for processing, the War Food Administration will support prices to producers and processors for peaches and pears for canning, and for the following dried fruits: Apples, apricots, clingstone and freestone peaches, pears, prunes, raisins.

Detailed announcements concerning these programs will be made prior to the beginning of the respective marketing season for these commodities.

Vegetables for canning.—Prices to growers for snap beans, sweet corn, green peas, tomatoes, beets, carrots, lima beans, and spinach grown in 1944 for canning will be supported by the War Food Administration through price supporting contracts by canners who are certified by State Agricultural Conservation Committees as agreeing to contract with producers for at least the specified support levels for the raw products and by the acceptance of all offers of such canners to sell specified products to the Administration. The grower who contracts with a certified canner will have assurance of receiving the support prices. No provision is made for obtaining support prices in any other manner and no obligation is made to support prices for uncontracted products at any level even though processors will be encouraged to use all vegetables grown, insofar as processing capacity and other factors permit.

The War Food Administration will accept all quantities of 1944-crop canned snap beans, sweet corn, green peas, beets, tomatoes, tomato juice, tomato pulp, tomato paste, carrots, lima beans, and spinach offered to it by certified canners at levels equivalent to 86½ percent of the canners' gross civilian ceiling prices (approximately 90 percent of net civilian ceilings). Appropriate adjustment in individual canners' support levels in relation to area averages and for grade differentials applicable to formula maximum priced items will be announced by the War Food Administration after Office of Price Administration ceilings are issued. Special styles and fancy packs will be accepted at price levels applicable to ordinary commercial packs. The support level for certified canners who purchase raw material on the open market will be adjusted for any raw product costs below the support levels.

The offer to support the price of these processed foods will extend throughout the normal marketing season for each product. Packers may be required to store these commodities at their expense until 30 days after the expiration date of the offer in the event the War Food Administration does not have immediate use for the products. The offer to purchase, as a price supporting measure, the canned vegetable commodities specified will apply to all quantities offered that grade U. S. Standard or better. Offers will be accepted from original processors only.

The following schedule of prices to growers for 1944 by States and areas is on a field-run basis and refers to all vegetables for processing, including both canning (which is supported under this program) and freezing. The detailed breakdown of prices by varieties, grades, and sizes according to utilization will be furnished to the State Agricultural Conservation Committees and processors at an early date. These prices are expressed in dollars per ton and unless otherwise indicated are for vegetables delivered to the processor's plant or major assembly point, whichever has been customarily used by growers and processors.

1. Snap beans:

Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia	\$90.00
New York	100.00
California, Washington, Oregon, Utah, Idaho, Montana, Wyoming, Nevada, Colorado, and New Mexico:	
For pole beans only	110.00
Bush beans in these States	80.00
Oregon and Washington wax beans	110.00
All other States	80.00

2. Lima beans:

New Jersey	120.00
Washington, Oregon, California, and Northern ¹ and Southwestern Idaho ²	115.00
Southeastern Idaho, Utah, Wyoming, Delaware, Maryland, and Accomac and Northampton Counties, Virginia	100.00
All other States	95.00

(The War Food Administration, upon recommendation of State Agricultural Conservation Committees, will determine maturity applicable to these prices and will establish price differentials for varying grades of maturity or color.)

3. Beets:

New York, New Jersey, Washington, Oregon, and California	\$21.00
All other States	19.00

4. Carrots:

New York and New Jersey	22.00
All other States	20.00

5. Sweet corn:

Maine and New Hampshire	28.00
Vermont	22.00
New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, Indiana, Illinois, and Central and Eastern Iowa ³	19.00
Washington, Oregon, and Northern ¹ and Southwestern Idaho ²	23.00
All other States and counties	17.00

6. Tomatoes:

Maine, New Hampshire, Vermont, Northern and Western New York, and Northern Pennsylvania ⁴	25.00
Rhode Island, Connecticut, Southeastern New York, ⁵ Delaware, Eastern Maryland, and Accomac and Northampton Counties of Virginia	28.00
New Jersey	29.00
Southern Pennsylvania, Western Maryland, Virginia Mainland, and West Virginia	27.00
Washington, Oregon, and Northern and Southwestern Idaho	26.00
Northern California ⁷	25.00
Southern California ^{6,7}	27.00
All other States	24.00

(Pear-shaped or Italian tomato support prices are \$2.00 higher than the above except in California where the support price for such tomatoes is \$27.00.)

See following page for footnotes.

7. Green peas:

Delaware and Maryland.....	\$91.00
New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut and Pennsylvania.....	90.50
Virginia.....	89.50
Skagit and Snohomish Counties in Washington.....	89.00
Maine.....	88.50
New York.....	88.00
New Jersey, Iowa (except Southwest Iowa), West Virginia, North Carolina, Kentucky, and Tennessee.....	86.00
Illinois and Southeast Wisconsin.....	85.00
Minnesota, Northwest Wisconsin, Alabama, Florida, Georgia, Louisiana, Mississippi, and South Carolina.....	82.50
Arkansas.....	81.00
Ohio.....	80.50
Oregon (except Malheur County), Washington (except Skagit and Snohomish Counties), and Northern Idaho ¹	79.00
Michigan, Texas, Utah, and Southeast Idaho.....	78.50
Indiana.....	77.50
Missouri, Southwest Iowa, Nebraska, Oklahoma, and Kansas.....	76.50
Arizona and Nevada.....	76.00
California, Colorado, and Montana.....	74.00
South Dakota and North Dakota.....	73.50
Wyoming.....	73.00
Southwest Idaho, Malheur County of Oregon, and New Mexico.....	71.00

(Prices include value of services rendered to the grower by the canner. Evaluation of services will be determined by the State Agricultural Conservation Committee. Break-down of these average prices by varieties, grades, and for sizes will be established by the War Food Administration upon recommendations of State Agricultural Conservation Committees.)

8. Spinach:

Prices to be announced later.

A similar program will be announced for supporting prices to growers at \$12 per ton for cabbage for kraut through offers to purchase bulk sauerkraut.

Fresh vegetables.—The War Food Administration will extend assistance to fresh vegetable growers to the extent possible through (1) encouragement of movement through normal trade channels, (2) diversion of surplus fresh vegetables to processing channels, and (3) purchases of surplus fresh vegetables for distribution through Government channels. However, no support prices for 1944-crop vegetables grown for fresh market will be designated.

Cured sweetpotatoes.—During the period from December 1, 1944, to February 28, 1945, the War Food Administration will make loans available to producers, cooperative associations and dealers on cured sweetpotatoes packed in standard crates, baskets, or hampers, in lots of 1,000 bushels or more, in approved storage warehouses, at the following rates per bushel: \$1.50 in December, \$1.65 in January, and \$1.75 in February. The loan rates for U. S. No. 2 sweetpotatoes containing not less than 75 percent of U. S. No. 1 quality will be 15 cents per bushel less than the rates of U. S. No. 1.

The price support loans will be supplemented, if necessary, by Administration purchases in carload lots for relief purposes and by such other surplus diversion programs as may be practicable.

Explanation of areas:

¹ Boundary, Bonner, Kootenai, Shoshone, Benewah, Latah, Nez Perce, Clearwater, Lewis, and Idaho Counties.

² Adams, Valley, Washington, Payette, Gem, Canyon, Boise, Elmore, Ada, Owyhee, Camas, Gooding, Lincoln, Jerome, Minidoka, Twin Falls, and Cassia Counties.

³ The area in Iowa bounded by the following counties: Clayton, Fayette, Bremer, Butler, Franklin, Wright, Humboldt, Pocahontas, Buena Vista, Sac, Calhoun, Webster, Boone, Dallas, Madison, Union, and Ringgold.

⁴ Erie, Crawford, Mercer, Venango, Forest, Warren, McKean, Potter, Tioga, Bradford, Wayne, and Susquehanna Counties.

⁵ Green, Columbia, Ulster, Dutchess, Putnam, Westchester, Rockland, Orange, Albany, and Rensselaer Counties and all of Long Island.

⁶ Santa Barbara, Ventura, Los Angeles, San Bernardino, Orange, Riverside, San Diego, and Imperial Counties.

⁷ Roadside delivery will be considered as the major assembly point in California for tomatoes.

Barley.—Nonrecourse loans on barley stored on farms or in warehouses will be made available to farmers. The loan rate for No. 1 barley will be 90 cents per bushel in California, Washington, Oregon, and Idaho, and 85 cents per bushel in other States. Discounts from these rates will be made for lower grades. A deduction of 7 cents per bushel will be made on warehouse-stored barley unless the producer has paid the storage charges through April 30, 1945. The loans will be available until December 31, 1944, and will mature on April 30, 1945, or earlier upon demand.

Grain sorghums.—Nonrecourse loans on grain sorghums stored on farms or in warehouses will be made available to farmers. The loan rate for grain sorghums grading No. 2 or better will be \$1 per bushel in Arizona and California and 95 cents per bushel in other States. Discounts from these rates will be made for lower grades. A deduction of 7 cents per bushel will be made on warehouse-stored grain sorghums unless the producer has paid the storage charges through April 30, 1945. The loans will be available until February 29, 1944, and will mature on June 30, 1945, or earlier upon demand.

Rye.—Nonrecourse loans on rye stored on farms or in warehouses will be made available to farmers at 75 cents per bushel for rye grading No. 2 or better or grading No. 3 solely on test weight. Discounts will be made for rye containing ergot. A deduction of 7 cents per bushel will be made on warehouse-stored rye unless the producer has paid the storage charges through April 30, 1945. The loans will be available until December 31, 1944, and will mature on April 30, 1945, or earlier upon demand.

Vegetable seeds.—A purchase program involving growing contracts has been previously announced establishing support prices for designated varieties of beet, cabbage, carrot, onion, turnip, and rutabaga seed, produced in 1944. The detailed prices were designated in an announcement dated October 30, 1943, to the commercial vegetable seed growers. The War Food Administration is now reviewing the possible need for similar price support programs for other vegetable seeds, and will announce in the near future such support prices and programs as are determined to be essential to meet the requirements for vegetable seeds.

Winter cover-crop seeds.—The price support program for winter cover-crop seed produced in 1944 was announced on December 7, 1943. The War Food Administration will purchase from growers cleaned, bagged seed, which is fumigated when necessary, on the basis of the following prices per pound: Hairy vetch, 11 cents; common vetch, 6 cents; crimson clover, 10½ cents; common ryegrass, 7 cents. Discounts are provided for seeds which fail to meet basic specifications. Also, purchase prices are increased by 1 cent per pound in Southern and East Central States to equalize freight costs.

Hay and pasture seeds.—Prices for specified kinds of hay and pasture seeds produced in 1944 will be supported by means of nonrecourse loans to producers or purchases from producers. Support prices will apply to seeds which are cleaned, bagged, tagged, and delivered to a warehouse. The following price for each kind of seed included in the program is for seed that meets the maximum standards of purity and germination. Further details will be announced at a later date.

	Price per pound			Price per pound	
	Com- mon seed cents	Certi- fied seed cents		Com- mon seed cents	Certi- fied seed cents
Alfalfa:			Ladino clover	150	--
Northern	33	40	Sudan grass	6	9
Central	30	37	Switchgrass	20	25
Okla. "approved ori- gin"	30	--	Big bluestem	20	25
Red Clover	28	34	Little bluestem	20	25
Biennial white sweetclover	9	15	Sand bluestem	25	--
Biennial yellow sweet- clover	9	15	Weeping lovegrass	50	--
Biennial mixed sweet- clover	8	--	Slender wheatgrass	15	--
Alsike	25	--	Western wheatgrass	15	--
Timothy	4.5	9	Blue lupine	6	--
Smooth bromegrass	13	18	White clover	50	--
Orchard grass	22	25	Wild winter peas	8	--
Crested wheatgrass	15	--	Kobe lespedeza	12	--
			Tenn 76 lespedeza	20	--
			Common lespedeza	20	--
			Sericea lespedeza	16	--

<i>Price per pound</i>			<i>Price per pound</i>		
	<i>Com- mon seed cents</i>	<i>Certi- fied seed cents</i>		<i>Com- mon seed cents</i>	<i>Certi- fied seed cents</i>
Blue grama-----	15	--	Yellow hop clover-----	35	--
Side-oats grama-----	20	25	Alyce clover-----	18	--
Buffalo grass-----	50	60	Hubam (Texas only)-----	10	--
Bermuda grass-----	20	40	Black medic-----	20	--
Dallis grass-----	20	--	Persian clover-----	25	--
Bahia grass-----	20	30	Cluster clover-----	25	--
Meadow fescue-----	12	17			

American Egyptian and sea-island cotton.—Nonrecourse loans on American Egyptian and sea-island cotton produced in 1944 and stored in warehouses will be made available to producers at rates based on 90 percent of parity or the comparable price for the basic grades with appropriate premiums and discounts for other grades and staples, and with differentials according to location. The loans will be available until May 1, 1945, and will mature on July 31, 1945, or earlier upon demand. The schedule of loan rates was announced on February 10.

American hemp.—American hemp produced under contracts with the War Food Administration will be supported at \$30 to \$50 per ton for designated classes of hemp straw. It is expected that the total acreage planted will be about 60,000 acres as compared with 170,000 in 1943. Contracts will be entered into with growers providing for the planting of specified acreages. Producers will be supplied with seed and certain equipment and labor in connection with the harvesting of the crop, the cost of such seed, equipment, and labor to be paid for by deduction from the purchase price of the hemp straw when delivered. The signing of contracts with producers will begin on February 1, 1944, but the harvesting and purchasing of hemp straw will begin about October 15, 1944.

Wool.—The War Food Administration will offer to purchase the 1944 domestic production of wool at the present support price (which is the current ceiling price less specified marketing costs). The purchase prices will apply to wool delivered to a warehouse or a customary assembly point. It is contemplated that established wool dealers will act as purchasing agents for the Administration and that wool will be offered to mills at ceiling prices.

Naval stores.—Each producer of gum naval stores will be offered the option of tendering turpentine and rosin as collateral for nonrecourse loans at rates equal to 90 percent of the parity price or selling their turpentine and rosin to the War Food Administration for stock-pile purposes at 95 percent of the parity price. Specific prices will be established on the basis of parity as of January 15, 1944, and will be announced at a later date.

These support prices will apply to naval stores placed in storage at approved warehouse locations throughout the producing region. Rosin must be in eligible metal drums or wood barrels, and the turpentine must be stored in the warehousemen's bulk storage tanks. It is contemplated that, as in previous years, the loan and purchase program will be administered through an agreement with the American Turpentine Farmers Association Cooperative.

B. STABILIZATION ACTIVITIES

The increasing emphasis being placed by the Administration on the anti-inflation program and on stabilization of the cost of living has created many problems and resulted in a number of programs designed to assure farmers of the returns necessary to maintain or increase agricultural production, while at the same time stabilizing the cost of food at retail.

As of January 1 the War Food Administration was engaged in stabilization programs affecting a considerable number of commodities. Altogether, it is estimated that the costs of these operations under the 1943 program will total about 350 million dollars, and that on the basis of current prices and programs such costs will be substantially increased in connection with the program for 1944. A summary

of each of the stabilization activities of the War Food Administration follows:

Low-cost feed.—The United States had large supplies of grain on hand at the beginning of the war. Livestock products were urgently needed, so the Department of Agriculture consciously embarked upon, and the War Food Administration continued, a program designed to keep feed prices low relative to livestock prices. Stocks of corn amounting to more than 200 million bushels acquired under the corn-loan program were sold at market prices, and by December 1943 about 500 million bushels of wheat had been sold for feed from CCC granary stocks. The losses on feed wheat in 1943 are estimated at about 70 million dollars.

Milk prices.—The War Food Administration operated milk purchase and resale programs in New York, Chicago, and Duluth in the latter part of 1942 so as to maintain the supply of milk in these metropolitan markets at no advance in price to consumers. On January 1, 1943, the consumer prices in these areas were adjusted and these programs were discontinued. Subsequently, similar programs were instituted in Washington, Philadelphia, Baltimore, Wilmington, Harrisburg (Pennsylvania), and Alexandria (Virginia), Omaha-Council Bluffs (Nebraska-Iowa), and reinstated in New York. The cost of this program in 1943 was approximately 5 million dollars.

Pending agreement on a more adequate milk-production program the War Food Administration has been making payments to dairy producers on all milk and butterfat sold between October 1, 1943, and December 31, 1943. The continuation of this program for the month of January 1944 was announced on January 2, 1944, and support prices were increased for that month. The rate of payment has been based primarily on increased feed costs since September 1942. In formulating the program, consideration was also given to the difference between prices now being received for milk and those received during the immediate pre-war years. Thus, the payment is higher in areas where the quantity of purchased feed is larger and feed costs have advanced the most, and where the advance in prices received for milk since the period immediately preceding our entry into the war has been the least. The program established the lowest rate of payment at 30 cents per hundredweight of whole milk delivered, and the highest rate at 50 cents per hundredweight. For delivery of butterfat rather than whole milk, the minimum and maximum rates were announced at 4 cents and 6 cents per pound of butterfat, respectively. Expenditures under this program for the last 3 months of 1943 are estimated at about 60 million dollars.

Bread prices.—In the winter of 1942-43 when the market price of wheat has risen to a point where flour millers were requesting an increase in the ceiling prices of flour, a program was developed which would permit farmers to redeem loan wheat at prices which would enable them to sell the wheat in line with the ceiling prices on flour and thus to prevent a rise in prices of bread. This program involved a 10-percent rise in flour ceiling prices, the maximum increase that could be made under existing bread ceilings, and a CCC commitment to support prices of millfeed to flour millers at \$1.50 per ton below OPA ceilings on millfeeds. During the first month of this program \$165,000 was paid out covering price commitments on 199,000 tons of millfeed. The price of millfeeds then advanced and held at

ceiling levels during the remainder of the season thus making unnecessary any additional payments. On June 19, 1943, the War Food Administration announced discontinuance of this program.

Effective December 1, 1943, the Reconstruction Finance Corporation instituted a program including payments to flour millers based on the quantity of flour produced. Such payments through the Defense Supplies Corporation are necessary to make it possible for flour millers to buy wheat at the current near-parity prices and sell flour and millfeed at the existing ceiling prices. It is estimated that these payments will not cost more than 9 million dollars per month.

Canned vegetables.—The War Food Administration was paying part of the cost of supporting prices to farmers and of holding down consumer prices of canned vegetables. Because of increased production costs, farmers were assured of prices for the 1943 crop of the principal canning vegetables approximately 25 percent higher than 1942 prices. For tomatoes the support price for the 1943 crop averaged \$24.25 per ton for the entire country as compared with \$19.57 in 1942. Prices for the 1943 crop of other canning vegetables were: green peas \$81.50 per ton compared with \$63.93; sweet corn \$18 compared with \$14.25; snap beans \$91 compared with \$75.33. In order to maintain price ceilings, the War Food Administration purchased that part of the pack sold for civilian use at the 1943 support prices and resold to processors at prices equivalent to the raw-material costs reflected in the civilian ceiling prices. These raw-material costs approximated the 1942-season average prices received by farmers. It also agreed to absorb that part of approved wage increases necessary to permit processors to obtain net returns in line with net returns in average pre-war years. It was expected that the cost of this program would be approximately 30 million dollars.

Dry beans.—A loan and purchase program designed to increase the production in 1943 of dry beans and peas as needed sources of vegetable protein for military and civilian consumption was announced in April 1943. The War Food Administration offered to make loans on 1943-crop thresher-run beans and peas stored on farms or in warehouses and to purchase beans and peas at specified support prices. The purchase prices for 1943-crop beans were higher than existing OPA ceilings, the difference being absorbed by the CCC on beans sold for civilian consumption. Losses on 1943-crop beans to be used for domestic civilian consumption were estimated at 8 million dollars.

Cheese.—The Department of Agriculture announced in December 1942 that it would buy all American cheddar cheese delivered to factories, on the basis of 27 cents per pound at Plymouth, Wis., and then resell the cheese to factories at 23¼ cents. An extra one-fourth cent per pound was paid on cheese having a moisture content of 35¼ percent or less. Under this program designed to stimulate the production of cheese and to hold down the prices to consumers, the factories were required to pass on to farmers the difference between the sale and repurchase price. This program cost approximately 25 million dollars for 1943.

Vegetables oils.—Prior to Pearl Harbor the War Food Administration sought to increase the production of vegetable oils, cake, and meal through the sale of seed stocks of soybeans and peanuts at reasonable prices to farmers, and by offering price-supporting loans to

farmers on the resultant vegetable oilseed crops. After Pearl Harbor the vegetable oilseed production goals were raised. Farmers produced in 1942 a record supply of soybeans and peanuts for processing into vegetable oils for civilian and military consumption, and the production of oilseed meal and cake for livestock feeding was correspondingly increased.

Processors of vegetable oils agreed to pay farmers not less than the stipulated support prices for oilseeds, to sell the vegetable oils within price ceilings, and to sell meal and cake at the relatively low prices stipulated by the War Food Administration for the purpose of increasing the production of meats, milk, and eggs. The CCC on its part agreed to relieve the price squeeze on processors in the amount of one-half cent per pound of vegetable oils, and to purchase soybeans at the support price and resell them at lower prices based on their processing value to the particular processor. It was also necessary in this program to ship large quantities of soybeans from the Middle West to southern, eastern, and western crushing plants, since the capacity of the mills in the Middle West was insufficient to process the record quantities of oil and meal needed in the war program.

In view of the even greater need for vegetable oilseeds in 1943 and the higher prices prevailing for alternative crops, support prices for the oilseed crops were increased, and it was originally estimated that losses on the oilseeds program for the 1943 crop would total about 60 million dollars. It now appears that actual losses will be substantially less than this amount. The War Food Administration bought all 1943-crop peanuts at prices averaging producers somewhat above \$140 per ton, and it sold peanuts at a net gain for edible purposes and at a loss for oil and feed uses at ceiling prices. It contracted with processors of soybeans for similar purposes to support prices to farmers and preserve ceiling prices on vegetable oils, meal, and cake. A program to reduce the price of peanut butter to the September 1942 level and to avoid an increase in the price of vegetable-oil shortenings is also in effect.

Potatoes and sweetpotatoes.—On August 24 the War Food Administration announced a nonrecourse loan on 1943-crop potatoes at approximately 92 percent of parity, the loans to be callable in whole or in part on demand. In this program the War Food Administration reserved the right to permit redemption of potatoes by producers, shippers, and others below the loan value. The purpose of this program was to make available ample supplies of potatoes the year round at reasonable prices to consumers, and at the same time, to fulfill the Government's commitment on support prices to growers. A support-price program was announced for cured sweetpotatoes marketed after January 1, 1944, so as to encourage farmers to cure and store as much as possible of the 1943 crop estimated at 72 million bushels. The War Food Administration also offered loans on sweetpotatoes to associations and dealers who paid the support price to growers and cured and stored the sweetpotatoes in approved warehouses. It was estimated that the cost of the program for 1943 crop potatoes and sweetpotatoes might be as much as 20 million dollars.

Coffee.—For the purpose of preserving the OPA ceiling price on coffee, the Commodity Credit Corporation for sometime paid a part of the increased wartime cost of importing this commodity into the United States. All the coffee was brought into the country by importers who

held licenses issued by the War Food Administration. Under this program, after a shipment was completed, and all cost of making the shipment computed, the importer billed the Corporation for the cost of war-risk and marine insurance and ocean freight, which were in excess of normal peacetime rates. The Corporation also paid 75 per cent of any excess rail-freight charges on shipments of coffee within the United States due to the diversion of such shipments from normal ports of entry. Payment of the excess ocean costs were discontinued on purchases made after August 25 and on shipments after December 31, 1943, as a result of the lowering of these costs because of improvement in the shipping situation. Payments of trans-shipment costs within the United States were discontinued October 1, 1943.

Off-shore sugar.—All sugar imported by the United States was under the control of the WFA. The Commodity Credit Corporation paid the increased cost of marine and war-risk insurance, ocean freight, handling charges, and internal rail transportation in order to permit sugar to be sold to consumers at existing ceiling prices. Off-shore raw sugar purchased by the Corporation was sold to United States refiners on a delivered basis at the prevailing ceiling price. Refiners acted as agents of the Corporation in the importation of the sugar and were reimbursed by the Corporation for costs incurred in excess of the ceiling price.

Off-shore refined sugar was not purchased by the Corporation but was imported by United States distributors who were reimbursed by the Corporation for excess ocean-freight charges and excess rail freight for distributing this sugar in accordance with directions of the OPA. The 1943 cost of this program was estimated at about 30 million dollars.

Domestic sugar.—In addition to the import operations carried out during the 1943-44 fiscal year, a price-support program was announced in connection with 1943 sugar-beet crop. Under this program sugar beets were purchased from processors at an average price of \$11 per ton, and then resold to processors at an average price of \$9.50 per ton, if ceiling prices on sugar continued at their prevailing level. Under this program the processors agreed to pay producers an average price \$11 per ton for beets. The cost of this program for the 1943 crop, including similar payments relating to sugarcane, will be about 11½ million dollars.

Prunes and raisins, processed dried.—In order to maintain support prices to growers without increasing the cost to ultimate consumers, the 1943 pack of these products for civilian consumption was being purchased from and resold to packers. The difference between the purchase and resale prices was expected to average from \$50 to \$55 per ton. The total cost of the program was estimated at about 15 million dollars.

Miscellaneous.—Payments were made to canned fruit processors to cover approved wage increases for peaches and pears, and special hardship cases, on that part of the 1943 pack that was allocated for civilian use.

In order that growers in the Pacific Northwest might obtain returns for their shipments equivalent to those received by growers in other areas, payments were made to eligible shippers on apples shipped from the Pacific Northwest to the central and eastern States, during the period October 17, 1943-July 31, 1944, at the applicable freight rates in excess of average shipping costs. Payments ranged from

19.5 to 49 cents per box on standard wrapped apples, and 39 to 98 cents per hundredweight on apples shipped in bulk, loose-packed, or nonstandard packed.

Processors of canned grapefruit juice were paid the amount of the increase in prices to growers of the civilian portion of the 1943-44 pack.

Altogether, it was estimated that the costs of these several miscellaneous programs (and the coffee program) would run about 16 million dollars.

Stabilization programs for butter and meat.—In addition to the stabilization activities conducted by the War Food Administration and the flour payments of the Reconstruction Finance Corporation, payments were made to butter manufacturers and meat producers since the early summer of 1943 in order to stabilize retail prices of butter and meat at about the level that prevailed on September 15, 1942, without lowering returns to farmers. A summary of these programs, which are financed and administered through the Reconstruction Finance Corporation follows:

1. *Butter.*—Effective June 1, 1943, payments were made to butter manufacturers producing 1,000 pounds or more per month, upon application to the Defense Supplies Corporation accompanied by a statement of the applicant's receipts and utilization of butterfat. This was in accordance with the terms of Regulation No. 2 of the Defense Supplies Corporation issued on June 7, 1943. Beginning October 1, 1943, all manufacturers who operate a plant manufacturing dairy products, including manufacturers of processed butter (processed butter" means renovated or processed butter as defined in section 2320, paragraph (c) of the Internal Revenue Code) became eligible to receive payments. During the first 6 months of the program payments amounted to nearly 37 million dollars.

2. *Meat.*—On June 7, 1943, the Defense Supplies Corporation began payments to all slaughterers who slaughtered 4,000 pounds or more (live weight) of livestock in any month in one establishment after May 1943. These payments were deemed necessary to assure packers of a fair processing margin and at the same time prevent an increase in retail meat prices. The payments amounted to about 2 cents per pound on dressed carcasses and were calculated to result in an average decrease in about 3 cents per pound on retail meat prices. On September 1, 1943, the program was extended to apply to slaughterers who slaughtered 2,500 pounds or more (live weight) of livestock in any one establishment in a month.

Payments to cattle slaughterers were made on condition that packers observe the provisions of the Cattle Stabilization Program. Payments were then made on the basis of carcass grades and the revised rates per 100 pounds (live weight equivalent) are: \$1 on Choice, \$1.45 on Good, \$0.90 on Medium, and \$0.50 on Common Canner and Cutter and Bologna Bulls. Provision was made for an additional payment of \$0.80 per 100 pounds (live-weight equivalent) to non-processing wholesale slaughterers. For the period mid-June through October 1943 over 163 million dollars were paid to livestock slaughterers. This was equivalent to about 435 million dollars on an annual basis.